George Washington and the benign influence of wise, philosophic Benjamin Franklin saved the deliberations from ruin. And then, as you know, ultimately, rather than amending the Articles of Confederation, they wrote a new Constitution and laid an enduring foundation for a new nation.

And in this Constitution, precisely for the reasons which plague us today in this trembling world, they turned to a Federal system. They built a national government with the vitality and power to carry forward the common good; they retained, nevertheless, State and local responsibilities, reserving to the States and to the people all powers not specifically granted to the National Government.

And in the preamble, they used language which is the key to much of the problem of which we speak today: "We the people of the United States," is the way they began this immortal document. Not "We the States"—but "We the people" do ordain and establish the Constitution for the United States of America.

Thus government was brought through the governmental maze to the citizen; thus sovereignty was brought home to the individual; thus government was made of the people, for the people, and by the people. And therein is a powerful lesson for those of us who today aspire to a better order of things in this world. There, my friends, is the key to world peace.

And so you see that I am indeed a devotee of this concept—because, mainly, I so deeply revere our own system and the strength and the glory it has brought to our people. I cannot conceive of any supportable reason why a similar effort would, in our own time, fail to bring just as many rich dividends to ourselves and to our children.

Across the seas are nations in mortal fear of the Soviet Union. They live in daily dread that their life, their property, their liberty, and all that they love in life may be destroyed by the Communist advance. They know all too well of the agony and, even, the despair of their neighbors today behind the Iron Curtain. I cannot but believe that they would slowly, perhaps, but surely, inevitably, seize upon a federation such as I have discussed with all the ardor of a drowning man reaching for a helping hand.

I happen to believe that a juncture of the free nations of the North Atlantic, with still others who might wish to join, would be so potent an aggregation that the Soviet threat of aggression would dissipate and frustrate and consume itself futilely, finally dying out altogether. Freedom is a mighty force. I mention only that 95 percent of inventions in the world in the last 2 centuries have been made by persons living in nations with representative government and protected personal freedoms. Freedom is the seedbed of initiative and ingenuity.

The nations of which I speak also have a genius for government based upon the will of the people. In most of them, substantially the rights accorded an American citizen are accorded to their citizens. They have, moreover, the industrial skill, the industrial plant, the agricultural knowledge, and the richest resources, added to ours, of this world. Such an amalgam would soon have a massive impact upon the ambitions of the Soviet Union. That nation would, in my judgment, recognize swiftly that only defeat would be the outgrowth of their contined assault on the free world. And this above all else is true: dictators cannot stand defeat. I am convinced that the rock upon which international communism will surely founder is federation of all or part of the states in the North Atlantic area.

Just as our own country has developed under the Federal system of Government, so would this group of nations, these millions of people, develop in strength, in capacity, in genius, in a unified democratic forum. They would be assured of victory in this divided world; they would be assured of a better world.

My friends, how deeply I wish that we were blessed by having 10,000 Owen J. Roberts to speak to a hundred thousand groups of our people. His penetrating mind, his profound experience and knowledge in judicial and governmental affairs, his wise insight into the perils of our time, would bring light into the darkest places of opposition to federation. Would that we also could stimulate the sale of Union Now, bringing its vital, gripping message to millions more of our people, so that this cause could reach out and truly grasp the minds and hearts and the imagination of His Majesty, Mr. Average American. Surely this is one light that we must ever strive to keep from under a bushel.

There are so many more things I wish I could mention. I remember with pride our gift of freedom to the Philippines in 1946. For 48 years we governed these wonderful people. But instead of resorting to tyranny and oppression, we spent a good part of those years helping these people prepare themselves for self-government and independence. Truly this is one of the brightest stars in our firmament. In many ways, I believe that my vote for Philippine independence was one of the most significant votes I have cast in my 13 years in the Congress. Two years ago, for example, I found on a trip into the Asian region that almost all nations along the Indian Ocean were aspiring to achieve the same recognition, the same self-respecting position in the family of nations, that our Nation had accorded to the Philippines.

Such is the power and the glory and the opportunity of America. Such is the promise our people, our faith, our system, holds out to the suffering and the oppressed who people much of the globe.

And such is the America which, I hope and pray, will boldly rise to today's challenge and lead God's people from the wilderness of militarism and terror into the shining light of hope and opportunity and dependable, just peace. Federation, my friends—what better article could America hope to merchandise among mankind today. It is an imperishable, proud part of our own experience. Let us help others reap its rewards.

And, in the process, we shall help ourselves and assure our children and their children a decent chance to lead fruitful, happy lives.

Thank you very much for your courteous attention.

SENATE

MONDAY, FEBRUARY 28, 1955

Rev. Louis J. Kaczorowski, pastor, Polish American Catholic Church, Chicopee, Mass., offered the following prayer:

Almighty and eternal God, our Heavenly Father, we pray that our minds and hearts may be blessed with the knowledge, the wisdom, and the understanding to know Thy holy will and the courage to follow it.

We pray that the Members of the Senate of the United States may always incorporate in their deliberations and enactments the moral and spiritual principles that are basic to our American way of life, and which must be preserved if our civilization is to survive and if our Nation is to continue to be worthy of Thy benediction.

Help each one of us personally to grow in devotion to Thee and to Thy holy law and in the sincere practice of true brotherhood toward our fellow man so that love of Thee and of neighbor may be truly the supreme motive and purpose of everything we say and do.

These blessings we ask in Christ's name. Amen.

THE JOURNAL

On request of Mr. CLEMENTS, and by unanimous consent, the reading of the Journal of the proceedings of Friday, February 25, 1955, was dispensed with.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States submitting nominations was communicated to the Senate by Mr. Miller, one of his secretaries.

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Maurer, its reading clerk, announced that the House had passed a bill (H. R. 4259) to provide a 1-year extension of the existing corporate normal-tax rate and of certain existing excise-tax rates, and to provide a $20 credit against the individual income tax for each personal exemption, in which it requested the concurrence of the Senate.

HOUSE BILL REFERRED

The bill (H. R. 4259) to provide a 1-year extension of the existing corporate normal-tax rate and of certain existing excise-tax rates, and to provide a $20 credit against the individual income tax for each personal exemption, was read twice by its title and referred to the Committee on Finance.

COMMITTEE MEETINGS DURING SENATE SESSION

On request of Mr. CLEMENTS, and by unanimous consent, the Committee on Finance was authorized to meet during the session of the Senate today.

On request of Mr. CLEMENTS, and by unanimous consent, the Subcommittee on Internal Security of the Committee on the Judiciary was authorized to meet during the session of the Senate today.

On request of Mr. GORE, and by unanimous consent, the Subcommittee on Roads of the Committee on Public Works was authorized to meet this afternoon, during the session of the Senate.

LIMITATION OF DEBATE DURING MORNING HOUR

Mr. CLEMENTS. Mr. President, under the rule, there will be a morning hour for the presentation of memorials and petitions, the introduction of bills, and other routine matters, and I ask

unanimous consent that any statements made in connection therewith be limited to 2 minutes.

The PRESIDENT pro tempore. Without objection, it is so ordered.

EXECUTIVE COMMUNICATIONS, ETC.

The VICE PRESIDENT laid before the Senate the following letters, which were referred as indicated:

RETIREMENT OF GOVERNMENT CAPITAL IN CERTAIN INSTITUTIONS

A letter from the Governor, Farm Credit Administration, Washington, D. C., transmitting a draft of proposed legislation to provide for retirement of the Government capital in certain institutions operating under the supervision of the Farm Credit Administration; to increase borrower participation in the management and control of the Federal Farm Credit System; and for other purposes (with accompanying papers); to the Committee on Agriculture and Forestry.

PROCUREMENT OF CERTAIN DOCTORS FOR ARMED FORCES

A letter from the Secretary of the Army, transmitting a draft of proposed legislation to facilitate the procurement of doctors of medicine and doctors of dentistry for the Armed Forces by providing scholarships for education in medical and dental professions, and for other purposes (with accompanying papers); to the Committee on Armed Services.

INCREASED ANNUITIES FOR RETIRED MEMBERS OF CERTAIN TEACHING STAFFS

A letter from the Secretary of the Navy, transmitting a draft of proposed legislation to increase the annuities of certain retired members of the teaching staffs of the United States Naval Academy and the United States Naval Postgraduate School (with an accompanying paper); to the Committee on Armed Services.

AMENDMENT OF INTERNATIONAL CLAIMS SETTLEMENT ACT OF 1949

A letter from the Chairman, Foreign Claims Settlement Commission of the United States, Washington, D. C., transmitting a draft of proposed legislation to amend the International Claims Settlement Act of 1949, as amended, and for other purposes (with accompanying papers); to the Committee on Foreign Relations.

REPORT OF FEDERAL POWER COMMISSION

A letter from the Chairman, Federal Power Commission, Washington, D. C., transmitting, pursuant to law, a report of that Commission, for the fiscal year ended June 30, 1954 (with an accompanying report); to the Committee on Interstate and Foreign Commerce.

REPORT ON MEDICAL SERVICES BY COMMISSION ON ORGANIZATION OF EXECUTIVE BRANCH OF GOVERNMENT

A letter from the Chairman, Commission on Organization of the Executive Branch of the Government, transmitting, pursuant to law, a report of that Commission on Medical Services, together with a report of its task force, on the same subject, dated February 1955 (with accompanying documents); to the Committee on Labor and Public Welfare.

PETITIONS

Petitions, etc., were laid before the Senate, or presented, and referred as indicated:

By the PRESIDENT pro tempore:

A resolution of the House of Representatives of the State of Montana; to the Committee on Government Operations:

"House Memorial 2

"Memorial of the House of Representative of the State of Montana to the Congress of the United States, to the Honorable JAMES E. MURRAY and MIKE MANSFIELD, Senators from the State of Montana, and to the Honorable LEE METCALF and ORVIN FJARE, Representatives in Congress from the State of Montana, urging that the Congress reject the proposal of the subcommittee of the President's Commission on Intergovernmental Relations to dismantle the Soil Conservation Service and turn its functions over to the States

"Whereas the Federal Soil Conservation Service, working with soil conservation districts, has been outstandingly successful in serving the soil conservation districts of America; and

"Whereas the subcommittee of the President's Commission on Intergovernmental Relations has recommended that this program be relegated to the various States with a progressively decreasing grant-in-aid status; and

"Whereas the present corps of SCS technicians would be gradually shifted to the status of State employees; and

"Whereas the idea is financially impracticable because a number of the States, including Montana, have, in the past, been unable to make sufficient appropriations to meet their obligations on other similar grant-in-aid programs such as Federal highways and other worthwhile projects; and

"Whereas a good program must be based and dependent on well-trained and educated personnel who can be assured of the security and permanence that only the civil-service status could provide; and

"Whereas a high standard of achievement is unlikely of achievement in all 48 States under separate programs; and

"Whereas under the provisions of the Reorganization Act, this undesirable shift in Soil Conservation Scrvice responsibility will automatically go into effect after its approval by the Federal Commission unless rejected by the Congress within 60 days; and

"Whereas the benefits of a nationally administered program of soil conservation accrue to all the people: Now, therefore, be it

"*Resolved*, That the House of Representatives of the State of Montana, now in session, hereby most urgently request the Congress of the United States to reject the aforesaid reorganization plan, and retain the Soil Conservation as a Federal service in substantially its present form, with responsibility for carrying forward the programs developed by the locally administered soil conservation districts; and be it further

"*Resolved*, That the secretary of state of the State of Montana be hereby directed to transmit a certified copy of this memorial to the Congress of the United States, to the Honorable JAMES E. MURRAY and MIKE MANSFIELD, Senators from the State of Montana, and to the Honorable LEE METCALF and ORVIN FJARE, Representatives in Congress from the State of Montana.

"LEO C. GRABILL,
"*Speaker of the House.*"

A joint resolution of the Legislature of the Territory of Alaska; to the Committee on Interior and Insular Affairs:

"Senate Joint Memorial 6

"*To the President of the United States, the Congress of the United States, the Secretary of the Interior, and Territorial Delegate to Congress:*

"Your memorialist, the Legislature of the Territory of Alaska, in 22d session assembled, respectfully represents that:

"Whereas in Alaska the performing of $100 worth of assessment work on unpatented mining claims accomplishes very little beneficial work because of the high wage and equipment rates; and

"Whereas the remoteness of most claims from roads and the high cost of Alaskan air transportation cause many claimholders to spend a disproportionate amount of money in travel to and from the claims in order to perform the assessment work; and

"Whereas construction of mine-access roads would be of greater benefit to mines and mineral claims than the assessment work now being performed; and

"Whereas a system similar to that proposed below is employed satisfactorily in some of the Canadian Provinces,

"Now, therefore, your memorialist, the Legislature of the Territory of Alaska respectfully urges that Federal legislation be passed to allow claimholders to deposit $100 in cash per claim in lieu of assessment work with the recorder of the proper precinct, executing an affidavit therefor, and the money to be forwarded to a fund administered by the Territorial highway engineer for the sole use of building mine-access roads.

"And your memorialist will ever pray.

"Passed by the senate February 8, 1955.

"JAMES NOLAN,
"*President of the Senate.*

"Attest:

"KATHERINE T. ALEXANDER,
"*Secretary of the Senate.*

"Passed by the house February 18, 1955.

"WENDELL P. KAY,
"*Speaker of the House.*

"Attest:

"JOHN N. MCLAUGHLIN,
"*Chief Clerk of the House.*"

A joint resolution of the Legislature of the State of New Mexico; to the Committee on Agriculture and Forestry:

"Senate Joint Memorial 1

"Joint memorial by the 22d Legislature of the State of New Mexico memorializing the Congress of the United States of America to provide adequate sources of farm credit to agricultural enterprises in New Mexico, particularly those stricken by the drought and other disasters

"Whereas drought and disaster have created in many areas in New Mexico a critical financial condition for farmers and businessmen; and

"Whereas sound and adequate credit facilities are urgently needed to preserve the economy of many sections of the State and to prevent needless suffering on the part of those family enterprises hardest hit by drought and other disaster: Now, therefore, be it

"*Resolved by the Legislature of the State of New Mexico*, That the Congress of the United States be and it hereby is memorialized to enact new legislation and broaden existing legislation that will authorize or provide for the following:

"1. Extension of the authority and time limit for making emergency loans beyond the present 2-year period which expires in July 1955;

"2. Orderly liquidation of the above emergency loans over periods up to 10 years;

"3. A relatively low interest rate on such emergency loans;

"4. A loan program set up through the Farmers' Home Administration to enable farmers and ranchers to consolidate all of their financial obligations, excluding real-estate mortgages, but including provision for interest on real-estate loans and for taxes;

"5. A provision allowing the borrower, where necessary, to make reasonable land payments from sale of farm products;

"6. Additional farm mortgage credit comparable to the former Land Bank Commissioner loans in such disaster and drought areas;

"7. Streamlining of Farmers' Home Administration loan procedures, including removal of regulations requiring personal financial responsibility of Farmers' Home Administration personnel except where fraud or gross negligence is clearly indicated;

"8. Broadening and extension of the feed and livestock use provisions of the emer-

gency feed relief program so that this program will be better adapted and more workable in each area, to include a provision that necessary precautions be taken to see that the feed is used for the purpose for which it was intended; be it further

"Resolved, That certified copies of this memorial be transmitted to the President of the Senate and the Speaker of the House of Representatives of the Congress of the United States and to each Member of the New Mexico delegation in Congress

"JOE M. MONTOYA,
"President, Senate.
"EDWARD G. ROMERO,
"Chief Clerk, Senate.
"DONALD D. HALLAM,
"Speaker, House of Representatives.
"FLOYD CROSS,
"Chief Clerk, House of Representatives.

"Approved by me this 18th day of February 1955.

"JOHN F. SIMMS,
"Governor, State of New Mexico."

Two joint resolutions of the Legislature of the State of New Mexico to the Committee on Interior and Insular Affairs:

"Senate Memorial 4

"Memorial memorializing the Senate and House of Representatives of Congress of the United States to pass Senate Bill No. 500 to authorize the Secretary of the Interior to construct, operate, and maintain the Colorado River storage project

"Whereas there is a pressing need for the most beneficial use of natural resources in the United States of America; and

"Whereas the citizens of New Mexico are especially interested in, and dependent upon the natural resources represented by life-giving waters of our rivers and streams; and

"Whereas Senate bill 500, now before the Congress of the United States, would, in the considered opinion of the people of New Mexico, and the 22d Legislature of the State of New Mexico, authorize an extremely vital project: Now, therefore, be it

"Resolved by the Legislature of the State of New Mexico, That the Congress of the United States be urged to give their earnest consideration to, and pass Senate bill 500, which would authorize the Secretary of the Interior to construct; operate, and maintain the Colorado River storage project; be it further

"Resolved, That certified copies of this memorial be transmitted to both Houses of Congress, to the chairman of the Committee on Interior and Insular Affairs, and to Senators CLINTON P. ANDERSON and DENNIS CHAVEZ.

"JOE M. MONTOYA,
"President of the Senate.
"EDWARD G. ROMERO,
"Chief Clerk of the Senate.

"Approved by me this 8th day of February 1955.

"JOHN F. SIMMS,
"Governor, State of New Mexico."

"Senate Joint Memorial 3

"Joint memorial memorializing the Congress of the United States to enact legislation granting 2 million acres of land in trust to this State for the purpose of providing public school buildings

"Be it resolved by the Legislature of the State of New Mexico:

"Whereas the United States Government and the agencies thereof own over 40 percent of the total land in the State of New Mexico; and

"Whereas such land is not subject to taxation by the State and results in a hardship to the people of this State in raising sufficient revenue for the support of public schools; and

"Whereas a grant of 2 million acres in trust to the State for public school buildings would greatly alleviate such hardship; and

"Whereas such a trust would be of permanent and enduring benefit and would provide a more stable support for the public schools than appropriations by Congress for such purposes: Now, therefore, be it

"Resolved by the Legislature of the State of New Mexico, That the Congress of the United States be and it hereby is memorialized to enact legislation granting 2 million acres of land in this State in trust to the State for public school buildings and providing that only the income from such trust may be expanded for such school buildings; and be it further

"Resolved, That a duly enrolled and engrossed copy of this memorial be transmitted to the President of the Senate and the Speaker of the House of Representatives of the Congress of the United States and to each member of the New Mexico delegation in Congress.

"JOE M. MONTOYA,
"President, Senate.
"EDWARD G. ROMERO,
"Chief Clerk, Senate.
"DONALD D. HALLAM,
"Speaker, House of Representatives.
"FLOYD CROSS,
"Chief Clerk, House of Representatives.

"Approved by me this 18th day of February 1955.

"JOHN F. SIMMS,
"Governor, State of New Mexico."

A joint resolution of the Legislature of the State of New Mexico; to the Committee on the Judiciary:

"Senate Memorial 6

"Memorial memorializing the Congress of the United States to prohibit the issuance of Federal liquor licenses in counties of States having exercised local option prohibiting sale of intoxicants within its boundaries

"Whereas certain counties in New Mexico have elected by the local option process to prohibit the sale of intoxicants in their boundaries; and

"Whereas certain individuals obtain Federal liquor licenses and distribute liquor in violation of the local laws, a condition has developed which tends to contribute to juvenile delinquency. Lack of adequate police supervision in remote rural areas encourages youths to purchase alcoholic beverages from federally licensed persons and in violation of the New Mexico law; and

"Whereas the problem of law enforcement in counties of large area and small population is materially increased it is felt the denial of Federal liquor licenses in local option dry counties will reduce violation of local laws: Now, therefore, be it

"Resolved by the Legislature of the State of New Mexico, That the Congress of the United States be and is hereby respectfully urged to enact legislation prohibiting the issuance of Federal liquor licenses in counties of the State of New Mexico which have by local option process elected to prohibit the sale of alcoholic beverages; and be it further

"Resolved, That the enrolled and engrossed copies of this memorial be transmitted to the President of the Senate and the Speaker of the House of Representatives of the Congress of the United States and to each Senator and Representative in Congress from New Mexico.

"JOE M. MONTOYA,
"President of the Senate.
"EDWARD G. ROMERO,
"Chief Clerk of the Senate.

"Approved by me this 18th day of February 1955.

"JOHN F. SIMMS,
"Governor, State of New Mexico."

A resolution of the Senate of the Legislature of the State of North Dakota; to the Committee on Public Works:

"Senate Resolution 6

"Senate resolution to the Honorable Dwight D. Eisenhower, President of the United States; to the Congress of the United States; to the Honorable Sinclair Weeks, Secretary of the Department of Commerce; to the Honorable Charles E. Wilson, Secretary of Defense; to the Honorable C. D. Curtiss, Chief of Administration for the Bureau of Public Roads; to the Honorable Milton R. Young and the Honorable William Langer, United States Senators from the State of North Dakota; to the Honorable Otto Krueger and the Honorable Usher L. Burdick, Congressman from the State of North Dakota; requesting a reallocation and increased strategic mileage in the Federal Aid Highway Act of 1944 to add United States Highway 2 to the national interstate highway system

"Whereas the Federal Aid Highway Act of 1944, which act amended the Federal Road Act, approved July 11, 1916, as amended and supplemented, provided that 'there shall be designated in the Continental United States a national system of interstate highways not exceeding 40,000 miles in extent, so located as to connect by routes as direct as practicable the principal metropolitan areas, cities and industrial centers, to serve the national defense and to connect at suitable border points with routes of continental importance in the Dominion of Canada and the Republic of Mexico'; and

"Whereas the act further provided that 'the routes of the National System of Interstate Highways shall be selected by joint action of the highway departments of the several States and the adjoining States,' and in another provision required approval by the Federal Works Administrator; and

"Whereas Phillip B. Fleming, major general, United States Army, Administrator of the Federal Works Agencies, caused to be entered a certificate of approval of the National System of Interstate Highways, dated the 2d day of August 1947, which adopted a National System of Interstate Highways, selected by the joint action of the State highway departments of each State and adjoining States; and

"Whereas the national system of Interstate highways selected, modified, and revised, as aforesaid, is comprised of routes totaling approximately 37,800 miles in extent; and

"Whereas there is a balance of 2,200 miles within the 40,000-mile limit provided for in the Federal Aid Act of 1944 which can be placed on the interstate system; and

"Whereas United States Highway 2 is the shortest route through arterial highway link between Sault Ste. Marie, Mich., and Seattle, Wash., and runs parallel to the northern border of the United States and intercepts all highway communications with Canada in the State of North Dakota as well as the several other boundary States; and

"Whereas said United States Highway 2 plays an ever-increasing integral and necessary role in the tremendous development of the country's natural resources, namely, oil, coal, gas, iron ore, nuclear and other minerals, as well as the vast timber industry, and in the vast development of power being generated by the dams constructed and being constructed in the Northwest, and in the expanding industrial development potential in the several States and in Canada, notably in the Provinces of Manitoba and Alberta, all of which demands a revision and an increase in our vital defense needs; and

"Whereas the said United States Highway 2, which can without any difficulty be linked from east coast to west coast through the States of New York, Vermont, New Hampshire, and Maine, and connected with Canada's highways 9 from New York to Montreal and highway 17 from Montreal to Sault

Ste. Marie, which are of importance in Dominion of Canada, is the only connection between our air-defense bases, the number of which and the personnel involved are known only to Congress, and Department of Defense officials, along the entire northern defense perimeter of the continental United States; and

"Whereas under the hourly maximum traffic classifications, the interstate designation of the United States Highway 2 to be determined by the Bureau of Public Roads, can be the classification of interstate rural, under the specification for the interstate system set out by the bureau, this could call for a two-lane highway with a 100-foot right of way; and

"Whereas the total mileage involved in this petition is approximately 2,178 miles in length and connects at points in seven States from the city of Sault Ste. Marie, Mich., to the city of Everett, Wash.; and

"Whereas while this is a petition from the State of North Dakota, it is contemplated the joining by the several other States with similar petitions, action having already been started in the States of Montana, Idaho, and Washington, this is especially true in view of the gigantic growth and expansion of the areas served by, contiguous to and adjacent to United States Highway 2 because such areas, at their accelerated progress, resulting from a shift of population and industry to the Northwestern States, and increasing industrial expansion in all areas, demand a revision of the transportation needs; and

"Whereas this request that the designation of the United States Highway 2 be placed on the National System of Interstate Highways is made without prejudice to existing interstate highways in the State of North Dakota and in the other States served by the United States Highway 2: Now, therefore, be it

"Resolved by the senate of the State of North Dakota, That the senate does hereby, most earnestly and respectfully, request that the Congress of the United States recognize the strategic importance of United States Highway 2, and through the proper Federal agencies take immediate action to have United States Highway 2 designated an integral part of the national system of defense highways, and that it be placed on the National System of Interstate Highways; be it further

"*Resolved,* That copies of this resolution be transmitted by the Honorable Norman Brunsdale, Governor of the State of North Dakota, and by the Honorable Ben Meier, secretary of state of North Dakota, to the Honorable Dwight D. Eisenhower, President of the United States; to the Congress of the United States; to the Honorable Sinclair Weeks, Secretary of the Department of Commerce; to the Honorable Charles E. Wilson, Secretary of Defense; to the Honorable C. D. Curtiss, Chief of Administration for the Bureau of Public Roads; to the Honorable Milton R. Young and the Honorable William Langer, United States Senators from North Dakota; and to the Honorable Otto Krueger and the Honorable Usher L. Burdick, Congressmen from North Dakota.

"C. P. DAHL,
President of the Senate.
"EDWARD LERCO,
"Secretary of the Senate."

A resolution adopted by the Association of State and Territorial Health Officers, at Washington, D. C., relating to the military status of the Public Health Service; to the Committee on Armed Services.

A resolution adopted by the Association of State and Territorial Health Officers, at Washington, D. C., relating to support for the World Health Organization; to the Committee on Foreign Relations.

A resolution adopted by a mass meeting of Americans of Lithuanian descent, at Kenosha, Wis., relating to the liberation of Lithuania and other countries; to the Committee on Foreign Relations.

A resolution adopted by the Association of State and Territorial Health Officers, at Washington, D. C., relating to the termination of Federal supervision over Indian tribes and Indian health services; to the Committee on Interior and Insular Affairs.

The petition of James E. Tangney-Sanborn, of the State of Illinois, relating to his claim for a redress of grievances; to the Committee on the Judiciary.

The petition of Richard Bladel Mossman, of Bettendorf, Iowa, relating to his claim for a redress of grievances; to the Committee on the Judiciary.

FOREIGN OIL IMPORTS—CONCURRENT RESOLUTION OF TEXAS LEGISLATURE

Mr. DANIEL. Mr. President, the taxation of oil production is the primary source of revenue to the State of Texas. It accounts for approximately 68 percent of all the business and property taxes collected in the State. Yet, Mr. President, our production of oil today has been reduced to 15 days a month. We now produce only one-half the time. This situation is partially due to excessive oil imports.

The President's Committee on Energy and Fuel Supplies last week reported that these excessive imports could injure the economy and security of our country.

On page 3 of the mimeographed report, the President's committee said:

> The committee believes that if the imports of crude and residual oil will exceed significantly the respective proportions that these imports of oil bore to the production of domestic crude oil in 1954, the domestic fuel situation could be so impaired as to endanger the orderly industrial growth which insures the supplies and reserves necessary to the national defense.

In other words, Mr. President, the President's committee says there should be no significant increase in the amount of oil imported this year and in future years over and above what was imported in 1954.

Figures have come to my attention today indicating that for a 4-week period ending February 11 crude-oil imports into the United States averaged 170,800 barrels a day, 27.4 percent higher than for the same 4-week period in 1954. There has been no increase in market demand. The increase at this time is terrible and clearly illustrates that self-controlled voluntary restriction has had its test and failed.

It would appear that the limit set out in the President's committee's report has already been reached. The report goes on to say:

> The committee recommends that if industrial statesmanship and voluntary reduction do not care for the situation, and in the future if imports of crude and residual fuel oils exceeding significantly the respective proportion that such oils bore to the domestic production of crude oil in 1954, appropriate action should be taken.

It appears that appropriate action is now in order, that voluntary reductions have not been forthcoming, and therefore some type of legislation should be enacted by the Congress to protect our domestic oil industry not only for the sake of the industry itself, but for the sake of the national defense and security.

Mr. President, I present for appropriate reference, and ask unanimous consent to have printed in the RECORD at this point in my remarks a concurrent resolution adopted by the Legislature of the State of Texas on this subject.

The PRESIDENT pro tempore. The concurrent resolution will be received and appropriately referred; and, under the rule, will be printed in the RECORD.

The concurrent resolution was referred to the Committee on Finance, as follows:

House Concurrent Resolution 23

Whereas there have been tremendous and growing increases in the importation of foreign oil, against which no restriction now exists in the laws of the Nation; and

Whereas the production of petroleum in the State of Texas has been unrealistically curtailed, to an injurious extent, as a result of the growing encroachment of foreign oil on the markets normally supplied by oil producers of Texas; and

Whereas taxation on oil production is a primary source of revenue to the State government of Texas, accounting for approximately 68 percent of all business and property taxes; and

Whereas taxation on the petroleum industry is depended upon to pay more than 45 percent of the cost of public education and 45 percent of the cost of higher education in the State of Texas; and

Whereas the aforementioned curtailment of oil production in Texas not only has a harmful impact on our general economy, but is seriously undermining our State tax structure to the extent that harmful losses are inflicted on State budgetary requirements for schools, colleges, highways, and other essential public projects; and

Whereas expanding oil production is not only essential to our State economy but is vital in generating full development of oil and gas resources to provide for future defense needs of our Nation and to stimulate business and commercial enterprises throughout our country: Now, therefore, be it

Resolved by the house of representatives (the senate concurring), That the Congress is hereby requested to give immediate attention to proposals now pending and to others which may be introduced for the limitation of imported oil as will cause no further injury to the oil-producing industry of the State of Texas and the United States; and be it further

Resolved, That copies of this resolution be forwarded to the Senators and Representatives in Congress elected by the people of Texas.

JIM LINDSEY,
Speaker of the House.
BEN RAMSEY,
President of the Senate.

The PRESIDENT pro tempore laid before the Senate a concurrent resolution of the Legislature of the State of Texas identical with the foregoing, which was referred to the Committee on Finance.

RESTORATION OF PACKAGE FREIGHT SERVICE ON GREAT LAKES—CONCURRENT RESOLUTION OF MINNESOTA LEGISLATURE

Mr. THYE. Mr. President, I present, for appropriate reference, a concurrent resolution adopted by the Minnesota State Legislature memorializing the President and Congress to support meas-

ures to restore package freight service on the Great Lakes.

This is a matter of real importance to the economy of the entire Great Lakes area. I have, in all the years I have been in the Senate, worked for the development of our transportation facilities on this great inland waterway system. Restoration of package freight and passenger shipping on the Great Lakes, to supplement bulk cargo shipping, which is now amply served, is extremely important from every point of view. It has a vital bearing on the economic future of the Great Lakes region.

In 1950, together with a group of colleagues from the Great Lakes States, I introduced proposed legislation to aid in the development and maintenance of American-flag shipping on the Great Lakes.

Public Law 856, 81st Congress, embodying this legislation, made available to purchasers for use on the Great Lakes surplus war-built vessels, at prices and with allowances similar to those which were allowed to purchasers of vessels for use on the oceans under the Ship Sales Act of 1946.

Although a very limited time was allowed between the enactment of this law, September 28, 1950, until December 31, 1950, for the signing of contracts, two companies made applications.

Six C–4's were sold, 3 to the Wisconsin-Michigan Steamship Co., and 3 to the Nicholson Universal Steamship Co. Five of these ships have been converted and are in use on the Great Lakes, and one is in process of conversion as a passenger vessel and car ferry. It was intended that the ships should add to the package-carrier fleet, but the Korean war emergency necessitated the original use of several of them for iron-ore carriers.

Before World War II, there were 24 ships on the Great Lakes engaged in package-freight trade, and 19 vessels carrying passengers.

These facilities were practically eliminated or became obsolete because of wartime demands for concentration on iron-ore shipping.

Today demand for package freight and passenger service is greater than ever, but the rebuilding of the necessary shipping facilities to take care of package freight has not kept pace, due to the high capital outlays and the need for emphasizing bulk shipping in the national interest.

Freight can be carried on the Great Lakes at substantially lower cost than by other transportation.

Restoration and development of adequate shipping facilities would actually supplement rail and truck transportation in the area served and would give us a better-balanced and more adequate transportation system.

With the development of the St. Lawrence Seaway, the deepening of the upper Great Lakes channels, and the improvement of important harbors like the one at Duluth and Superior, I believe it is vital that steps be taken to assure an adequate fleet of freight carriers operating on the Great Lakes.

I have asked the Maritime Administration, through its planning division, to give consideration to this need, particularly with reference to how the Federal Government can assist.

Private enterprise, through such organizations as the Great Lakes Carriers Association, is completing studies on the requirements.

I believe that we in Congress should likewise fully support this effort.

Mr. President, I ask unanimous consent that the concurrent resolution of the Minnesota State Legislature, which sets forth the importance of this entire matter, be printed in the RECORD as a part of my remarks.

The PRESIDENT pro tempore. The concurrent resolution will be received and referred to the Committee on Interstate and Foreign Commerce; and, under the rule, the concurrent resolution will be printed in the RECORD.

The concurrent resolution was referred to the Committee on Interstate and Foreign Commerce, as follows:

Concurrent resolution memorializing the President of the United States, the Federal Maritime Board, and the Congress of the United States to support measures to restore package freight service on the Great Lakes

Whereas the Congress of the United States under Public Law 856 enacted by the 81st Congress, provided that certain surplus vessels could be reconverted for use as package freighters on the Great Lakes; and

Whereas the vessels which were so reconverted were not used for the purpose intended because of the outbreak of the Korean war, but were assigned to the carrying of iron ore; and

Whereas prior to World War II package freight was a major Minnesota industry. In excess of 700,000 tons of freight were shipped to and from the Port of Duluth during the last year that package freighters operated on the Great Lakes. Included in said shipments from the State of Minnesota were approximately 64,000 tons of butter; 6,000 tons of buttermilk; 12,000 tons of cheese; 28,000 tons of cream; 6,000 tons of eggs; 45,000 tons of dressed poultry; 170,000 tons of flour; 107,000 tons of mill products; in excess of 18,000 tons of wool; 19,000 tons of lumber; 3,000 tons of paper products, and in excess of 40,000 tons of manufactured metal products; and

Whereas this trade benefited every segment of the Minnesota economy including the great agriculture and manufacturing industries; and

Whereas the discontinuance of this trade not only has adversely affected our agriculture and manufacturing industries, but has caused substantial unemployment in the maritime industries at the head of the Great Lakes; and

Whereas the restoration of package freight service on the Great Lakes not only will substantially contribute to the well-being and growth of Minnesota industry, provide a market for products grown and manufactured in Minnesota, both at home and abroad, but will also help reduce unemployment and more importantly will provide a stepping stone to the maximum use of the facilities of the Port of Duluth for international trade when the St. Lawrence Seaway has been completed: Now, therefore, be it

Resolved by the house of representatives (the senate concurring), That the President of the United States, the Federal Maritime Board, and the Congress of the United States be memorialized to effect the restoration of package freight service on the Great Lakes; be it further

Resolved, That the secretary of state be instructed to transmit copies of this resolution to the President of the United States, to the Chairman of the Federal Maritime Board, and to each member of Congress from the State of Minnesota.

ALFRED I. JOHNSON,
Speaker of the House of Representatives.

Adopted by the House of Representatives, the 1st day of February, 1955.

G. H. LEAHY,
Chief Clerk, House of Representatives.

KARL F. ROLVAAG,
President of the Senate.

Adopted by the Senate, the 11th day of February, 1955.

H. Y. TORREY,
Secretary of the Senate.

Approved February 18, 1955.

ORVILLE L. FREEMAN,
Governor of the State of Minnesota.

INCLUSION OF UNITED STATES HIGHWAY NO. 2 IN NATIONAL SYSTEM OF HIGHWAYS—RESOLUTION OF HOUSE OF REPRESENTATIVES OF NORTH DAKOTA

Mr. YOUNG. Mr. President, I present, for appropriate reference, and ask unanimous consent to have printed in the RECORD a resolution adopted by the House of Representatives of the State of North Dakota, with reference to United States Highway No. 2, which traverses the northern part of North Dakota.

This highway has considerable strategic military significance in serving as a connecting link for several air-defense installations soon to be constructed along the northern border of this Nation. The resolution requests that United States Highway No. 2 be designated and placed in the national system of interstate highways, without prejudice to existing interstate highways in North Dakota and the other States served by United States Highway No. 2.

The PRESIDENT pro tempore. The resolution will be received, and appropriately referred; and, under the rule, the resolution will be printed in the RECORD.

The resolution was referred to the Committee on Public Works, as follows:

House Resolution 9

Resolution to the Honorable Dwight D. Eisenhower, President of the United States, to the Congress of the United States; to the Honorable Sinclair Weeks, Secretary of the Department of Commerce; to the Honorable Charles E. Wilson, Secretary of Defense; to the Honorable C. D. Curtiss, Chief of Administration for the Bureau of Public Roads; to the Honorable Milton R. Young and the Honorable William Langer, United States Senators from the State of North Dakota; to the Honorable Otto Krueger and the Honorable Usher L. Burdick, Congressmen from the State of North Dakota; requesting a reallocation and increased strategic mileage in the Federal Aid Highway Act of 1944 to add United States Highway No. 2 to the National Interstate Highway System

Whereas the Federal Aid Highway Act of 1944, which act amended the Federal Road Act approved July 11, 1916, as amended and supplemented, provided that "There shall be designated in the Continental United States a national system of interstate highways not exceeding 40,000 miles in extent, so located as to connect by routes as direct as practicable the principal metropolitan areas, cities, and industrial centers, to serve the national

defense and to connect at suitable border points with routes of continental importance in the Dominion of Canada and the Republic of Mexico"; and

Whereas the act further provided that "The routes of the national system of interstate highways shall be selected by joint action of the highway departments of the several States, and the adjoining States," and in another provision required approval by the Federal Works Administrator; and

Whereas Phillip B. Fleming, major general, United States Army, Administrator of the Federal Works Agencies, caused to be entered a certificate of approval of the national system of interstate highways, dated the second day of August 1947, which adopted a national system of interstate highways, selected by the joint action of the State highway departments of each State and adjoining States; and

Whereas the national system of interstate highways selected, modified and revised, as aforesaid, is comprised of routes totaling approximately 37,800 miles in extent; and

Whereas there is a balance of 2,200 miles within the 40,000-mile limit provided for in the Federal Aid Act of 1944 which can be placed on the interstate system; and

Whereas United States Highway No. 2 is the shortest route through arterial highway link between Sault Ste. Marie, Mich., and Seattle, Wash., and runs parallel to the northern border of the United States and intercepts all highway communications with Canada in the State of North Dakota as well as the several other boundary States; and

Whereas said United States Highway No. 2 plays an ever increasing integral and necessary role in the tremendous development of the country's natural resources, namely, oil, coal, gas, iron ore, nuclear, and other minerals, as well as the vast timber industry, and in the vast development of power being generated by the dams constructed and being constructed in the Northwest, and in the expanding industrial development potential in the several States and in Canada, notably in the Provinces of Manitoba and Alberta, all of which demands a revision and an increase in our vital defense needs; and

Whereas the said United States Highway No. 2, which can without any difficulty be linked from east coast to west coast through the States of New York, Vermont, New Hampshire, and Maine, and connected with Canada's Highway No. 9 from New York to Montreal and Highway No. 17 from Montreal to Sault Ste. Marie, which are of importance in the Dominion of Canada, is the only connection between our air-defense bases, the number of which and the personnel involved are known only to Congress, and Department of Defense officials, along the entire northern defense perimeter of the continental United States; and

Whereas under the hourly maximum traffic classifications, the interstate designation of the United States Highway No. 2 to be determined by the Bureau of Public Roads, can be the classification of interstate rural, under the specification for the interstate system set out by the bureau, this could call for a two-lane highway with a 100-foot right of way; and

Whereas the total mileage involved in this petition is approximately 2,178 miles in length and connects at points in 7 States from the city of Sault Ste. Marie, Mich., to the city of Everett, Wash.; and

Whereas while this is a petition from the State of North Dakota, it is contemplated the joining by the several other States with similar petitions, action having already been started in the States of Montana, Idaho, and Washington, this is especially true in view of the gigantic growth and expansion of the areas served by, contiguous to and adjacent to United States Highway No. 2 because such areas, at their accelerated progress, resulting from a shift of population and industry to the Northwestern States, and increasing industrial expansion in all areas, demand a revision of the transportation needs; and

Whereas this request that the designation of the United States Highway No. 2 to be placed on the national system of interstate highways is made without prejudice to existing interstate highways in the State of North Dakota and in the other States served by the United States Highway No. 2: Now, therefore, be it

Resolved by the House of Representatives of the State of North Dakota, That the house of representatives of the State of North Dakota does hereby, most earnestly and respectfully, request that the Congress of the United States recognize the strategic importance of United States Highway No. 2, and through the proper Federal agencies, take immediate action to United States Highway No. 2 designated an integral part of the national system of defense highways, and that it be placed on the national system of interstate highways; be it further

Resolved, that copies of this resolution be transmitted by the Honorable Norman Brunsdale, Governor of the State of North Dakota; and by the Honorable Ben Meier, secretary of state of North Dakota; to the Honorable Dwight D. Eisenhower, President of the United States; to the Congress of the United States; to the Honorable Sinclair Weeks, Secretary of the Department of Commerce; to the Honorable Charles E. Wilson, Secretary of Defense; to the Honorable C. D. Curtiss, Chief of Administration for the Bureau of Public Roads; to the Honorable Milton R. Young and the Honorable William Langer, United States Senators from North Dakota; to the Honorable Otto Krueger and the Honorable Usher L. Burdick, Congressmen from North Dakota.

K. A. TIKH,
Speaker of the House.
KENNETH L. MORGAN,
Chief Clerk of the House.

AMENDMENT OF NATURAL GAS ACT—RESOLUTION OF LEAGUE OF KANSAS MUNICIPALITIES

Mr. SCHOEPPEL. Mr. President, I present, for appropriate reference, and ask unanimous consent to have printed in the RECORD, a resolution adopted by the governing body of the League of Kansas Municipalities, at Topeka, Kans., favoring an amendment of the Natural Gas Act, relating to the return to the States the function of regulation for conservation of natural gas.

There being no objection, the resolution was referred to the Committee on Interstate and Foreign Commerce, and ordered to be printed in the RECORD, as follows:

RESOLUTION BY THE GOVERNING BODY OF THE LEAGUE OF KANSAS MUNICIPALITIES MEMORIALIZING CONGRESS TO AMEND THE NATURAL GAS ACT

Whereas the Supreme Court of the United States has recently ruled that sales of natural gas by independent producers and gatherers made in the field in which the gas is produced are subject to regulation by the Federal Power Commission under the terms of the Natural Gas Act when the gas is ultimately transported to and sold in other States; and

Whereas the League of Kansas Municipalities has, from its inception in 1910, concerned itself with the problems of its member cities in supplying themselves with an adequate supply of natural gas at reasonable rates and it has carried on studies, conducted research, issued brochures, news releases, reports, and recommendations to its member cities, and to all municipalities of Kansas, concerning the availability, regulation, and cost of natural gas to the ultimate consumer; and

Whereas the ultimate consumer has a tremendous investment in gas-consuming devices for the utilization of this fuel, the protection of which is a prime responsibility of municipal governing bodies; and

Whereas the production of natural gas is a highly competitive business and its conservation is of vital concern to the various States wherein it is found; and

Whereas the State of Kansas has for 20 years regulated the production of natural gas to the end that wasteful practices be prohibited, that this great natural resource be conserved by the discouragement of early abandonment and the drilling of marginal wells, and by encouraging the orderly production of natural gas to insure maximum recovery thereof; and

Whereas the regulation by the Federal Government of the price of gas sold by independent producers and gatherers is contrary to the public interest, including the interests of consumers in the municipalities who are members of this league in the following particulars: (1) Such regulation will result in curtailing the development of new sources of supply of gas because it will lessen the incentive of independent producers to explore for and produce natural gas, will interfere with and impede State conservation measures and thereby result in waste of gas and will ultimately increase the cost of gas to the consumer and increase the rates of depreciation and obsolescence of his gas-consuming devices; (2) Federal regulation is unnecessary in that field prices represent only a small portion of the cost of gas to consumers and in any event such prices are competitive with other fuel prices; (3) Federal regulation cannot be justified except on a socialistic basis which could lead to the regulation of the price of all commodities, including oil, coal, and other products of nature, and which would further centralize regulatory authority in the Federal Government and thereby usurp the powers and functions of the State: Now, therefore, be it

Resolved by the governing body of the League of Kansas Municipalities, assembled at Topeka, Kans., That the Congress of the United States be memorialized to amend the Natural Gas Act so as to restore to the several States their historic function of regulation for conservation of natural gas, and remove from the field of Federal regulation sales of natural gas by independent producers and gatherers made in the field, even though such gas is ultimately sold in interstate commerce; be it further

Resolved, That the executive director of the League of Kansas Municipalities be instructed to furnish a copy of this resolution to each Member of the United States Senate and the House of Representatives.

J. GLEN DAVIS,
President.

Attest:

JOHN G. STUTZ,
Executive Director.

CONTINUANCE OF NORTHWEST AIRLINES SERVICE—RESOLUTION

Mr. WILEY. Mr. President, previously, when speaking on the floor of the Senate, I have commented on the tremendous significance to the economy of the State of Wisconsin and all other States along the northern tier of our Nation, as well as to our country as a whole, of continued service by Northwest Airlines.

I present a resolution forwarded to me by the Board of Supervisors of Milwaukee County, Wis., reemphasizing this point. I ask unanimous consent

that the resolution be printed in the RECORD, and be referred to the Senate Interstate and Foreign Commerce Committee.

There being no objection, the resolution was referred to the Committee on Interstate and Foreign Commerce, and ordered to be printed in the RECORD, as follows:

Whereas it is reported that the President of the United States has recently entered an order which in effect terminates the near great circle route of Northwest Airlines from Milwaukee to Anchorage, Alaska, via the twin cities and Edmonston, Canada, as well as the direct one carrier service of the Northwest Airlines to Hawaii via Seattle. Now, therefore, be it

Resolved, That the President be respectfully requested to reconsider such decisions for the following reasons, to-wit:

Milwaukee County in the construction of General Mitchell Field has invested almost $16 million in this terminal facility.

Northwest Airlines was one of the first carriers to render air service between this community and the rest of the United States, Canada, Alaska, and Hawaii.

The growth of Northwest Airlines together with Milwaukee's commerce during recent years have extended on a parallel basis, with the result that today Milwaukee is on the main route to New York to the Orient and has developed a growing volume of trade with Asiatic countries, due greatly to these facilities.

Milwaukee's annual $6 billion volume of manufacturing and other trade would be most seriosuly affected by the termination of the present direct routes from this city to our important domestic trade Territories of Alaska and Hawaii. Direct air transportation to these markets plays an important part in the economic prosperity of our community.

The Milwaukee area affected by the Presidents decision ranks eighth in the industrial production of the Nation.

In view of all of the foregoing and consistent with the petitions of our Representatives in Congress now before the President, Milwaukee County by these presents respectfully prays that the President's decision be not merely modified but rescinded and the future situation of Northwest Airlines be returned to its former status; and be it further

Resolved, That the above resolution be spread upon the minutes of this regular meeting of the board of supervisors duly held at Milwaukee the 8th day of February 1955, and that a copy thereof be forthwith communicated to the President of the United States of America, and to Senators WILEY and MCCARTHY and Congressmen ZABLOCKI and REUSS.

INCREASE IN LIMIT OF EXPENDITURES BY THE COMMITTEE ON PUBLIC WORKS

Mr. CHAVEZ, from the Committee on Public Works, reported an original resolution (S. Res. 70), which was placed on the calendar as follows:

Resolved, That in holding hearings, reporting such hearings, and making investigations as authorized by section 134 of the Legislative Reorganization Act of 1946 and in accordance with its jurisdictions under rule XXV of the Standing Rules of the Senate, the Committee on Public Works, or any subcommittee thereof, is authorized from March 1, 1955, through January 31, 1956, (1) to make such expenditures as it deems advisable; and (2) to employ upon a temporary basis such technical, clerical, and other assistants and consultants as it deems advisable.

SEC. 2. The expenses of the committee under this resolution, which shall not exceed $100,000 shall be paid from the contingent fund of the Senate by vouchers approved by the chairman of the committee.

BILLS AND JOINT RESOLUTION INTRODUCED

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. DIRKSEN (by request):

S. 1218. A bill for the relief of Luigi Cardone and his two minor children, Vita Cardone and Diomedio Cardone; to the Committee on the Judiciary.

By Mr. MURRAY (by request):

S. 1219. A bill to grant minerals, including coal, oil, and gas, in certain lands in the Blackfeet Indian Reservation, Montana, to individual Indians; to the Committee on Interior and Insular Affairs.

By Mr. KNOWLAND:

S. 1220. A bill for the relief of Josephine Ray; and

S. 1221. A bill for the relief of the estate of Joseph Kelsch; to the Committee on the Judiciary.

By Mr. GREEN:

S. 1222. A bill for the relief of Fotini Kiliarhi Stavrides;

S. 1223. A bill for the relief of Miltiades Skordos;

S. 1224. A bill for the relief of Andrew Saliaris;

S. 1225. A bill for the relief of Tom Marinatos;

S. 1226. A bill for the relief of Soterios Christopoulos;

S. 1227. A bill for the relief of John Stamoulas;

S. 1228. A bill for the relief of Nick Paschalis;

S. 1229. A bill for the relief of George Tziotes;

S. 1230. A bill for the relief of George Vratsanos;

S. 1231. A bill for the relief of Konstantine Mastoras;

S. 1232. A bill for the relief of Constantine Piteris;

S. 1233. A bill for the relief of Aristides Kendros;

S. 1234. A bill for the relief of Christ Torvas; and

S. 1235. A bill for the relief of Angelo Franco; to the Committee on the Judiciary.

By Mr. ELLENDER:

S. 1236. A bill for the relief of Maria da Conceicao Prentice; to the Committee on the Judiciary.

By Mr. ELLENDER (by request):

S. 1237. A bill to authorize the Secretary of Agriculture to establish townsites within the national forests, and for other purposes; to the Committee on Agriculture and Forestry.

By Mr. MARTIN of Pennsylvania:

S. 1238. A bill for the relief of Benjamin Baruch Mintz, Tchia Mintz, Shulamit Mintz, and Shalom Boaz Mintz; to the Committee on the Judiciary.

By Mr. SPARKMAN:

S. 1239. A bill to amend section 42 of title IV of the Bankhead-Jones Farm Tenant Act to increase the compensation of members of county committees from $5 per day to $10 per day; to the Committee on Agriculture and Forestry.

By Mr. BUSH:

S. 1240. A bill for the relief of Imre de Cholnoky; to the Committee on the Judiciary.

By Mr. JOHNSTON of South Carolina (for himself and Mr. LANGER):

S. 1241. A bill for the relief of Ernst Windmeier; to the Committee on the Judiciary.

By Mr. SALTONSTALL (for Mr. KENNEDY):

S. 1242. A bill for the relief of Purita Rodriquez Adiarte and her two minor children, Irene Grace Adiarte and Patrick Robert Adiarte;

S. 1243. A bill for the relief of Kyu Lee;

S. 1244. A bill for the relief of Eva Gershbein Rubinstein; and

S. 1245. A bill for the relief of Agnes V. Walsh, the estate of Margaret T. Denehy, and David Walsh; to the Committee on the Judiciary.

By Mr. KEFAUVER:

S. 1246. A bill to amend the Internal Revenue Code of 1954 so as to prohibit the deduction of expenses or losses incurred in illegal wagering; to the Committee on Finance.

S. 1247. A bill to make unlawful the transmission in interstate commerce of gambling information concerning a sporting event which is obtained without consent of the person conducting such sporting event; to the Committee on Interstate and Foreign Commerce.

By Mr. DOUGLAS:

S. 1248. A bill to amend the Natural Gas Act to require that the rates and charges of natural-gas companies be determined on the basis of the actual legitimate cost of the companies' property, less depreciation; to the Committee on Interstate and Foreign Commerce.

(See the remarks of Mr. DOUGLAS when he introduced the above bill, which appear under a separate heading.)

By Mr. WILEY:

S. 1249. A bill for the relief of Nouritza Terzian; to the Committee on the Judiciary.

S. 1250. A bill to declare Pike Creek above the easterly side of the highway bridge at Sixth Avenue in the city of Kenosha a nonnavigable stream; to the Committee on Interstate and Foreign Commerce.

By Mr. DIRKSEN:

S. J. Res. 50. Joint resolution designating the Saturday before Palm Sunday in each year as Crippled Children's Day; to the Committee on the Judiciary.

PROPOSED REVENUE ACT OF 1955—AMENDMENT

Mr. CASE of South Dakota. Mr. President, I submit an amendment, intended to be proposed by me to the bill (H. R. 4259) to provide a 1-year extension of the existing corporate normal-tax rate and of certain existing excise-tax rates, and to provide a $20 credit against the individual income tax for each personal exemption, in order that it may be printed for the information of Senators, and particularly the Committee on Finance. I ask unanimous consent that I be permitted to speak briefly on the amendment.

The PRESIDENT pro tempore. The amendment will be received, printed, and referred to the Committee on Finance; and, without objection, the Senator from South Dakota may proceed.

Mr. CASE of South Dakota. Mr. President, to H. R. 4259, the tax bill, I have submitted an amendment proposing to revive and extend the Renegotiation Act for 2 years.

The Renegotiation Act had its origin in an amendment which I offered to the Sixth Supplemental Defense Appropriation Act of 1942. Later it became a separate title in the Revenue Act of 1943. It was revised and extended as the Renegotiation Act of 1951 after we got into the Korean war. As such, it expired December 31, 1954.

During World War II, by the renegotiation process, more than $11 billion were recovered for the taxpayers and the Treasury. Secretary Bob Patterson used to say its value was even greater in pricing subsequent contracts. Thus far, in the Korean war extension, renegotiation has recovered over $233 million and may double that. This is in addition to the refinements that have been made in pricing and the operation of an excess-profits tax.

When I proposed renegotiation by statute in the spring of 1942, we did not have an excess-profits tax. We were seeing contractors make huge profits on contracts begun with "letters of intent" and through the use of Government loans, tools, and plants to expedite production. We needed something to prevent profiteering and at the same time something that would not delay production.

We did not have the charges of war profiteering after World War II as we did following World War I. Renegotiation met the need. Renegotiation provides for an audit of actual costs and pricing on that basis. Thus, it avoids the inherent unfairness of the ordinary percentage tax on corporation income or profits when one manufacturer is working with his own capital and tools, and another is using facilities provided by the Government.

Furthermore, it meets the need when speed is the order of the day. When a new model or a changeover is demanded, there may be no time and possibly no basis on which to price the new item. Cost-plus-fixed-fee contracts do not fit the bill, because while they may deny profit in cost boosting, they do not reward for keeping costs down.

In the present buildup of defense equipment, and particularly in the great changeover from propeller to jet planes, Mr. President, taxpayers and the Treasury need the protection of renegotiation.

Technically, renegotiation is a revenue matter. Under the Constitution, revenue measures must originate in the House of Representatives, but the Senate can amend tax bills. That is why, with the tax bill now through the House, I am offering this amendment to revive and extend renegotiation as a part of the tax bill now before the Senate Committee on Finance.

ADDRESSES, EDITORIALS, ARTICLES, ETC., PRINTED IN THE RECORD

On request, and by unanimous consent, addresses, editorials, articles, etc., were ordered to be printed in the RECORD, as follows:

By Mr. WILEY:

Address delivered by him at the 50th anniversary banquet of the Knights of Columbus, at Kenosha, Wis., on February 27, 1955.

By Mr. GOLDWATER:

Letter written by him to William R. Mathews, editor of the Arizona Daily Star, of Tucson, Ariz., in regard to the differences between the Salt River Valley Water Users Association and the Tennessee Valley Authority.

NOTICE OF HEARING ON NOMINATION OF GILBERT H. JERTBERG TO BE UNITED STATES DISTRICT JUDGE, SOUTHERN DISTRICT OF CALIFORNIA

Mr. DANIEL. Mr. President, on behalf of the Committee on the Judiciary, I desire to give notice that a public hearing has been scheduled for Tuesday, March 8, 1955, at 10:30 a. m., in room 424, Senate Office Building, upon the nomination of Gilbert H. Jertberg, of California, to be United States district judge for the southern district of California, vice Campbell E. Beaumont, deceased. At the indicated time and place all persons interested in the nomination may make such representations as may be pertinent. The subcommittee consists of myself, chairman, the Senator from South Carolina [Mr. JOHNSTON], and the Senator from North Dakota [Mr. LANGER].

The PRESIDENT pro tempore. Is there further morning business? If not, morning business is closed.

TEXTILE TARIFFS

Mr. PAYNE. Mr. President, millions of Americans are turning their eyes to Geneva, Switzerland, this week as negotiations under the General Agreement on Tariffs and Trade get underway. The course that conference takes in broadening the flow of international trade will profoundly affect not only the economic strength of the free world generally but also that of the United States.

I am one of those who favor greater commerce among the proud nations which stand firm against the rising tide of Communist expansion. Greater trade, I believe, will act as a strong bulwark against further Communist expansion.

But it is no secret that action hastily taken, or ill-conceived, can do profound damage to the cause we seek to promote. The free nations of the world greatly fear economic instability in the United States. It has been said many times that when the United States sneezes, the rest of the world catches pneumonia. It is our duty to our friends, as well as to ourselves, to see that, economically speaking, we do not sneeze.

To do this we must maintain employment and vitality in our basic industries. Reductions in tariffs which would disrupt any of our important industries should be temporarily postponed in the interest of American and, indeed, world economic stability.

Ms. President, I desire today to call the attention of the Senate to one such industry, an industry which, as I am sure all in this Chamber know, is temporarily suffering economic illness. That is the textile industry, 90 percent of whose products are subject to tariff reductions at the GATT meeting.

It is now proposed, as Senators know, that tariff reductions be made on goods imported from Japan, which is our most serious competitor, and one of the world's greatest textile exporters. The reductions made in favor of Japan would then be extended to other countries on a most-favored-nation basis. This adds up to serious trouble for the industry countrywide, and in particular for New England.

More Japanese imports would seriously affect certain contracting textile markets. The question is not one of Japanese firms gaining a larger share of a market in which American firms are also growing. Few persons would quarrel with that.

But the fact is that important segments of the American textile industry are faced with steady drops in domestic textile consumption, as well as in exports. Since 1950, per capital consumption of wool in the United States has fallen 40.9 percent and of cottons 18.3 percent.

The market today cannot even absorb the full production of our own industry's present capacity. Yet some people would increase Japanese imports even more, in spite of the fact that the flow has increased steadily since the end of World War II. From 1953 to 1954, alone, imports of Japanese cotton fabrics increased about 100 percent; and this came about under the present tariff levels. New Englanders, already hard hit by migration of their industry and stiff competition from new fabrics and technological changes, are disturbed, and rightfully so, to think of the awful consequences of imminent tariff reductions.

But New England alone will not suffer. Since 1951, 268,000 textile jobs have been lost all over the country. A total of 107,000 were lost in New England alone up to 1954, or 38 percent of such jobs which existed in 1951. In the South, the decline in all types of textile jobs was 41,000, or 7 percent of the 1951 figure. An editorial in the February 8, 1955, edition of the Atlanta Journal expressed the concern the South feels over further tariff reductions.

While textiles were suffering, what was happening to the rest of our economy? During the same period our gross national product increased 12 percent, and total industrial production increased 10 percent.

The figures on textiles alone are bad enough. But the damage done is compounded by the effect a textile slump has on related industries, such as utilities, transportation, textile-machinery firms, and so on. The ills of the textile industry, with its more than 1 million workers, are contagious, spreading insidiously, and infecting many millions more of our Nation's workers.

Even assuming for the moment that there are such things as expendable industries, the textile industry certainly is not one of them. The textile industry provides 7 percent of all industrial employment and about 17 percent of all the nondurable goods employment. It provides 5 percent of all industry's payroll and 15 percent of the nondurable goods payroll.

In many New England towns a majority of the people earn their bread working in textile mills. Can these people be told that they are expendable? Dr. William E. Miernyk, of Northeastern University has studied unemployed textile workers, in the most careful analysis

yet made of this problem. He found that most textile workers were older persons who had devoted their life to the industry. Dr. Miernyk found that the great majority of those who lost their jobs were unemployed, or had left the labor market, as they were simply unable to find work. Whole communities have been depressed because of this lack of mobility in the textile labor force. The result is that 5 of the 8 major substantial labor surplus areas in the United States today are textile areas, according to the Bureau of Employment Security of the Department of Labor. I ask unanimous consent to have printed in the RECORD at this point a table showing the percentage of textile workers to total manufacturing employment in many of the major New England cities.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Textile employment [1] as a percent of manufacturing employment

	Percent
Massachusetts:	
Adams	81.5
North Adams	23.2
Fall River	40.8
Holyoke	14.2
Lowell	37.1
New Bedford	25.9
Connecticut:	
Baltic	40.2
Stonington	26.8
Maine:	
Lewiston	42.9
Biddeford-Saco	38.3
Sanford	50.0
New Hampshire: Manchester	34.0
Rhode Island:	
Albion and Lonsdale	86.4
Anthony	99.0
Ashton	83.6
Warren	38.0
Warwick	31.5

[1] Predominantly cotton and synthetic textiles.

Mr. PAYNE. Japanese industry has been modernized and is gaining ground. Japan's costs of production are so low that fair competition with her products is out of the question. The average American costs per yard of various kinds of fabrics exceed the Japanese costs by from 52 percent to 70.1 percent.

There are many reasons for this. I hasten to point out that the reason is not monopoly in the domestic industry. The industry has many small manufacturers engaged in sharp price competition. New production techniques are constantly being introduced. Efficiency and productivity are rising. When the present dislocations in the industry are straightened out, I believe that our textiles may be able to compete with the products of any country. But time is needed to smooth out the wrinkles in our ever-changing textile industry.

The most significant reason for our high-cost situation is wages, which is the most important element in the production of textiles, accounting for over 40 percent of unit cost. The American textile worker receives an average of about $1.36 an hour. Even this is below most industrial wages in our country. But the Japanese worker gets only approximately 14 cents an hour. I will point out later how this difference counts heavily in favor of the Japanese.

The staff papers of the Randall Commission said this on page 432:

> To the extent that low-paid labor in a country like Japan can operate the new machines as effectively as they can be operated in high-wage countries—the low-wage country can make serious inroads in various lines in the high-wage country. In the mid-30's, shortly before the outbreak of the Second World War, Japan was invading various segments of the American textile industry. Similarly her electric-light bulbs, her shoes, and a number of other products were undercutting similar American-produced goods in the United States market.

Remember, this is the Randall Commission staff speaking. This can happen again. Considering New England's economic problems, the result could well be disastrous, especially when we realize that other New England industry, including the shoes and light bulbs mentioned above, might be also injured by lower tariffs.

Some would pass over the low-wage argument lightly, saying that American productivity is greater and makes up for the difference. American productivity is greater—but it does not make up for the difference very often. Japanese productivity is increasing at a fantastic rate, with output per man-hour rising from a base of 100 in April 1950 to 224.5 in June 1954, according to the Mitsubishi Research Institute in Tokyo.

Unless properly tested, however, the low-wage argument does not stand up. The staff papers of the Randall Commission on page 433 provides a way of testing the validity of the argument. The report says:

> The test of such unfairness of competition is whether the labor involved is receiving wages, per unit of output, that are substantially lower than wages received in the country as a whole.

How does this test of unfairness, suggested by many distinguished economists, apply to Japan? The Department of Labor tells me that the average hourly wage in all manufacturing and mining industries in Japan is 24 cents. Remember, it is only 14 cents an hour in textiles. This is, I think it will be agreed, a substantial difference and meets the test of unfair competition set up by the Randall Commission staff.

One wonders what might happen to imports under a substantial tariff reduction. Fortunately we have a clue to this, again from the Randall Commission's staff papers.

The staff tried to determine the probable effects on imports under a temporary tariff suspension. In terms of percentage increases, the staff said the most significant changes would probably be in textiles. It has been estimated, on the basis of figures for 1951, that the increases would be from 37 to 74 percent. The staff also listed areas of potential injury where "domestic producers would be forced to give away in substantial measure to increased imports."

The report said that these areas, ones in which there existed a very inelastic demand or a contracting market, "warrant a legitimate fear of increased imports." What are some of the products which would be affected? The report lists nearly a dozen textile products.

I know that total tariff suspension is not contemplated. But I think it fair to say that these predicted results would apply also in case of a tariff reduction, even though not to quite so serious a degree.

But the textile industry, being hit from all sides, can stand no more troubles. It is even being hurt under the existing tariff rates. I ask that the people of New England and of the textile industry generally throughout the country be given a chance to live, to work out their problems, to become strong again. Then the industry can stand on its own two feet. It has been estimated by the industry itself that our domestic textile industry will disappear in 15 years, 8 years in New England, if it continues to lose jobs at the rate it has in the past 3 years.

A healthy national textile industry is vital in peace and war. Textiles was the first great industry to grow in this country. I do not ask for exclusion of imports, but only for the maintenance of existing rates and for an opportunity for this industry to work out its problems before it is destroyed by an increasing flood of foreign imports.

Although the dollar shortage shows signs of disappearing, I know that problems remain, particularly in the case of Japan. It is the responsibility of this country to help solve that problem. But we will not solve it by sacrificing American industry. That will only make the situation worse. The free world will win short-term gains for long-term losses. When an important industry or an entire section of the country can show serious injury through foreign competition, that industry should be saved, not sacrificed.

VIOLATION OF FEDERAL LAWS RELATING TO STORAGE OF GRAIN

Mr. THYE. Mr. President, under date of February 25, 1955, I addressed a letter to the Honorable Herbert Brownell, Attorney General, which letter was also signed by the Senator from Vermont [Mr. AIKEN] and the Senator from North Dakota [Mr. YOUNG]. The letter dealt with the disposition of certain criminal charges involving violations of Federal laws relating to the storage of grain.

Under date of February 27, 1955, the Attorney General replied to our letter, enclosing a report from Warren Olney III, Assistant Attorney General in charge of the Criminal Division of the Department of Justice. I ask unanimous consent that this correspondence, which I think would be most informative to Members of Congress, be printed in the RECORD at this point as a part of my remarks.

There being no objection, the correspondence was ordered to be printed in the RECORD, as follows:

WASHINGTON, D. C., *February 25, 1955.*

The Honorable HERBERT BROWNELL,
The Attorney General,
Department of Justice,
Washington, D. C.

DEAR MR. ATTORNEY GENERAL: We have noted in the newspapers during the past few days an account of dismissal by the Federal court in Texas of certain criminal charges involving the Bunge Corp. and certain of

its officers who were charged with violation of Federal laws relating to the storage of grain.

Knowing of your personal interest in the prosecution of this and similar cases which grew out of an investigation by the Senate Committee on Agriculture in 1953, we would be very much interested in having from you a complete report on the dismissal of the Bunge case and the status of other similar cases in order that the public record may be complete and accurate.

As chairman of the subcommittee which conducted the hearings leading up to the disclosure of the original information on which the Department of Justice based a number of its prosecutions and also speaking in behalf of Senator AIKEN and Senator YOUNG, who had participated in the hearings, it will be very much appreciated if we could have your answer at as early a date as possible.

Sincerely yours,

EDWARD J. THYE,
United States Senator.
GEORGE D. AIKEN,
United States Senator.
MILTON R. YOUNG,
United States Senator.

OFFICE OF THE ATTORNEY GENERAL,
Washington, D. C., February 27, 1955.

Hon. EDWARD J. THYE,
United States Senate,
Washington, D .C.

MY DEAR SENATOR THYE: In response to the letter from you, Senator AIKEN and Senator YOUNG of February 25, 1955, relative to the Bunge case, I am pleased to transmit to you the enclosed report from Warren Olney III, Assistant Attorney General in charge of the Criminal Division of the Department of Justice.

With best wishes,

Sincerely yours,

HERBERT BROWNELL, Jr.,
Attorney General.

INQUIRY OF SENATOR EDWARD J. THYE CONCERNING THE DISPOSITION OF THE CRIMINAL CHARGES INVOLVING THE EUNGE CORP. AND CONCERNING THE STATUS OF CTHER SIMILAR GRAIN CASES

This memorandum is prepared in response to the request addressed to you by Senator EDWARD J. THYE and cosigned by Senators AIKEN and YOUNG under date of February 25, 1955, for a complete report on the dismissal of the Bunge case and the status of other similar cases involving the importation or exportation of offgrade, frost-damaged Canadian wheat imported into the United States from 1950 to 1952, and which has been the subject to investigation by and interest to the Senate Committee on Agriculture and Forestry. The Senator's letter requests an answer at the earliest possible date.

As a matter of fact, the Bunge case was not dismissed. The Bunge Corp. was charged as a defendant, entered a plea of guilty, and has been sentenced. The dismissals related not to the corporation but to individual defendants, some of whom were corporate officers and one of whom was not. The reasons for the action taken by the Department of Justice in the Bunge case are readily stated, but a complete report on the status of the other grain cases which the Senator has requested will necessarily be time consuming in its preparation.

In order to comply with Senator THYE's request for a prompt answer, I am setting forth herewith the explanation of the disposition of the Bunge case and will supply the requested status report on the other cases at a later date, as soon as the necessary information can be compiled.

Of course you are aware that the civil aspects of the Bunge litigation are pending in the civil division. It is expected that the Government will recover every dollar which it may have paid to the Bunge Corp. in illegal subsidies, as well as the full amounts of the substantial civil penalties incurred. Five hundred and fifteen thousand has already been deposited by the Bunge Corp. to guarantee the payment to the Government of all amounts owed. Of course, the final settlement of the civil aspects of this matter has necessarily awaited the termination of the criminal proceeding. The plea of guilty by the corporation would appear to establish the Government's right to civil recovery, although the amount remains undetermined.

The indictment in the Bunge case was returned in the southern district of Texas, Galveston division, on June 10, 1954, against the Bunge Corp., Robert F. Straub, president of Bunge Corp.; Andre Hirschler, vice president and director of the Bunge Corp.; Simon Kern, vice president of Bunge Corp.; Walton F. Mulloy, assistant vice president of Bunge Corp.; and E. H. Thornton, Sr., general manager of the Galveston wharves. The indictment contained one count charging a conspiracy: (1) To defraud the United States by obstructing it in the administration of its programs under the International Wheat Agreement; (2) to falsify, conceal, and cover up by trick, scheme, and device, material facts concerning the origin of wheat shipped by the Bunge Corp. pursuant to the International Wheat Agreement; and (3) to make false and fraudulent claims against the United States in connection with the collection of export subsidies.

The counts of this indictment included all criminal offenses which, in the opinion of the Criminal Division, could be charged in Texas against the defendants named. Of course, the mere importation of the Canadian wheat was not a crime. Neither is its mere use an offense. The indictment in this case is based upon the theory that the defendants conspired to load Canadian wheat which was ineligible for subsidies under the International Wheat Agreement (IWA) program on vessels destined for countries which were participants in the IWA and to claim subsidies from the Government for the wheat shipments based upon false statements and claims as to its eligibility. The indictment alleged that to accomplish the objectives of this conspiracy the defendants did the following things:

1. That the defendants mixed the Canadian wheat with wheat of domestic origin at the Galveston Wharves;

2. That the defendants caused such mixture to be exported to purchasers in countries participating in the IWA concealing from the Commodity Credit Corporation that the shipments were, in part, wheat of Canadian origin; and

3. That the defendants altered the records of the Galveston wharves to conceal from the Commodity Credit Corporation the fact that Canadian wheat had been shipped to participant IWA countries.

Of course proof of specific intent is an essential element of the criminal case against each of the defendants. Proof of the alteration of the wharf records and knowledge of such alteration on the part of each individual defendant was most important to the establishment of the case against each.

Subsequent to the return of the indictment in the Southern District of Texas, a grand jury was convened in the southern district of New York to ascertain whether there had been substantive violations by the corporation and its officials in filing false claims for subsidies. The matter was presented in the southern district of New York since the claims for subsidies were filed in that district. A number of the witnesses who had testified before the grand jury in the southern district of Texas were called before the New York grand jury. Some of the witnesses upon whom the Government relied heavily gave testimony which differed from that given before the Texas grand jury. Pending the study and resolution of these conflicts the Government did not request any indictment from the New York grand jury.

On January 25, 1955, Mr. C. K. Richards, Special Assistant to the Attorney General, who had secured the Texas indictment, wrote the Criminal Division that the subsequent investigation had been completed and had developed evidence and testimony which made it extremely doubtful that the Government could secure a conviction in the Texas case. The same evidence and testimony also made it impossible to proceed further with the proposed indictments in New York. The development which caused this drastic reevaluation of the case was the production of what are claimed to be original worksheets prepared at the time of the grain shipments and upon which the subsequent records purported to be based.

At the time the Texas indictment was returned in June 1954, it was believed that the Government could prove the shipment of specific amounts of damaged Canadian wheat on certain IWA ships by means of records in the possession of the Stone Forwarding Co., which was the forwarding agent for Bunge Corp.

These records were extracts from documents known as "Form 206" which had been originally prepared by the Galveston wharves, the originals of which, however, were missing. These extracts, found in the records of the Stone Forwarding Co., purported to show the actual shipment of Canadian wheat on IWA ships. In addition, the Government expected to rely upon the testimony of a witness named James E. Parrish, an employee of the Galveston wharves. The Government expected Parrish would testify that he had been directed by the defendant Thornton to destroy the original copies of the form 206 showing the shipment of Canadian wheat and substitute records which would not show any Canadian wheat charged to IWA ships. It was expected that this witness would testify further that he had actually made the necessary substitution of records and destroyed the conflicting original forms.

Subsequently certain documents were discovered among papers supplied by the defense to Mr. Richards at the time of the Texas grand jury hearing which at the New York hearing were identified by Parrish as his original workpapers which he had used in filling out the form 206 covering the grain shipments in question. These work papers failed to show that any Canadian grain was shipped on IWA ships and that the cargoes of the IWA ships for which subsidies were claimed were ineligible cargoes. Since Parrish was the key witness in establishing the Government's contention that there had been a conspiracy to falsify the records, the Government found itself in the position of being unable to establish the necessary falsification of records and conspiracy excepting by the testimony of a witness whose own contemporary documents contradicted his oral assertions. Of course, every effort was made to determine the authenticity of the work papers, but no conclusive evidence has been produced to impeach or contradict Parrish's identification of them as genuine. Under these conditions it has been manifest to every lawyer who has reviewed the case that the Government could not hope to establish the falsification of the records and the conspiracy to a moral certainty and beyond a reasonable doubt by Parrish's testimony. It is equally clear that the same evidence would prevent successful prosecution of any of the defendants on substantive counts of filing false statements to secure subsidies.

Difficulties with other witnesses also attended the case. In his letter of January

25, 1955, Mr. Richards pointed out that a number of other less important but necessary witnesses were open to impeachment because of conflicts in their statements. Another, who had been examined by a psychiatrist at Mr. Richards' request, was certified as unfit to testify. No less than six of the essential witnesses were subject to impeachment on one ground or another seriously affecting the creditability of their testimony.

From the beginning a serious weakness in the case against the individual defendants has been the absence of motive upon their part. There is no evidence to indicate that any of the individual defendants could have profited personally from the crime charged. None of them even owned a share of Bunge stock.

On February 12, 1955, the defendants were arraigned on the above-mentioned indictment before Judge Ben C. Connally, of the Southern District of Texas. At that time the defendant Bunge Corporation, through its counsel, entered a plea of guilty and the five individual defendants entered pleas of not guilty. Thereupon Mr. C. K. Richards, Special Assistant to the Attorney General, who has been in immediate charge of this litigation from the beginning, moved to dismiss the five individual defendants, stating his reasons in open court. The motion was granted. Thereafter, the court assessed a fine of $5,000, notwithstanding Mr. Richards' recommendation of the maximum fine of $10,000.

The decision to accept the plea of guilty from the corporation and to dismiss the indictment as to the individual defendants was made by me personally in accordance with my responsibilities as the Assistant Attorney General in charge of the Criminal Division. This decision was in accordance with the recommendations of Mr. C. K. Richards, who, as I have said, has been in immediate charge of the litigation. United States Attorney Malcolm R. Wilkey, for the Southern District of Texas, who has actively participated in the case, concurred in this recommendation. After a most exhaustive reevaluation of the case, the attorneys of the General Crimes Section of the Criminal Division also recommended acceptance of a guilty plea from the corporation and dismissal of the individual defendants. These recommendations were unanimous. They were approved by Mr. Alan A. Lindsay, the executive assistant of the Criminal Division.

The foregoing explains my approval on February 4, 1955, of the recommendation that a plea of guilty from the corporation be accepted and that the indictment as against the individual defendants be dismissed. In my opinion this course was in the best interest of the Government. Nothing could be gained by an expensive and lengthy trial on the unsatisfactory state of the evidence. Much has been gained by the plea from the corporation which could not have been secured except by dismissing as to the individual defendants. The plea has resolved the issue of the guilt of the corporation without the expense of a trial, and has subjected the corporation to a $5,000 fine, but most important of all constitutes an admission on the part of the corporation in one of the most difficult issues in the civil proceeding.

I wish to make it clear that no other considerations entered into the decision reached by the Department of Justice in the disposition of this case. After I had reviewed the foregoing recommendations, I advised you of my conclusion and received your approval. This is the extent of my discussion of the disposition of this case with you. No one outside of the Department of Justice has importuned me in any manner in connection with the disposition of this case or with any other of the grain cases.

Senator THYE's letter alludes to the testimony concerning these transactions taken by the Senate Committee on Agriculture and Forestry, but the testimony given before the committee by the defendants in this case cannot be used against them in any criminal proceedings because of the provisions of section 3486 of title 18 of the United States Code as it existed at the time of the committee hearings. Such testimony can, however, be used by the Government in the civil proceeding.

PRICE INFLATION, DEFICITS, AND TAX REDUCTION

Mr. ROBERTSON. Mr. President, if we consider the national product as goods placed in the national warehouse and the nationally produced income as tickets that can be exchanged for what is in the warehouse, the number of tickets required for the exchange of a unit of production will increase when the number of tickets is arbitrarily increased without increasing the number of units in the warehouse. Although a bit oversimplified that, in essence, is the meaning of price inflation.

With the exception of Spain, the whole world now has to a greater or less degree price inflation. In this country it now takes 1½ tickets to buy what one ticket would buy 15 years ago. By means of deficit financing as a result of which currency and bank check money increase faster than the goods put in the national warehouse we have set the stage for what would be a very costly inflationary program. The amount of currency in circulation and of bank check money is at an alltime high. Last year it increased by $4 billion, the rate of increase in the second half of the year being twice that of the first half. A rapid increase in the money supply necessarily makes a draft on Federal Reserve credit. Its notes in circulation, amounting to $26 billion, now account for 85 percent of the circulating currency. When the Government engages in deficit financing and sells a $1,000 bond to a national bank it can call on the Federal Reserve System for a $1,000 of new currency. That method of issuing currency has been practiced over a period of years with the result, as indicated, that now only 15 percent of the currency in circulation was directly issued by the Government.

The surplus of currency and bank check money is now being superimposed upon a very high level of industrial production. For the current year it is now running at an annual rate close to $368 billion, just short of the previous peak of $375 billion reached in the second quarter of 1953. The proportion of our national production going into consumption, including new houses, over the past 2 years has risen from 66 percent to 70 percent. For instance, new starts in housing are at an alltime high, and 60 percent are being financed under the FHA program. The production of automobiles is at an alltime high. Prices on the New York Stock Exchange recently reached an alltime high and are still close to that level.

The budget submitted to the Congress by the President last January contemplates a deficit of $2.4 billion, which will mean the creation of still more money. There are no organized plans to reduce that level of spending but many to increase it—for the military, for highways, for school houses and school lunches, for increased pay of civil-service employees above the budget estimate, and so forth.

If through the increase of money over the supply of goods in the national warehouse just 1 percentage point is added to the cost of those goods it means a tax on the American people of more than $2½ billion if consumer purchases total $257 billion. There are now in this country families, aggregating about 50 million people, who are not now subject to any Federal income tax. They would be hurt by price inflation but not helped by a tax reduction. Millions of others who would be hurt by price inflation would get but a fraction of the proposed tax cut of $20. But the House has sent to the Senate a tax bill under which the revenue of the Government would be reduced about $2 billion on an annual basis and approximately $1 billion would be added to the budget deficit for fiscal 1956. The Constitution authorizes the Government to issue money, but it also places upon it the responsibility of fixing its value. In 1934 we fixed the value of gold which was then the backing for our currency at $35 an ounce, and then the United States went off the gold standard. Since that time Congress has done nothing to fix the value of money except in two instances to provide for a balanced budget.

Within the next 4 weeks Congress will be called upon to make a vital decision with respect to fixing the value of the national currency. If it votes to cut taxes in the face of a large deficit, which may conceivably be measurably increased by new spending proposals, the Congress will be voting to cheapen the value of money and indirectly to tax every consumer in the Nation on what he buys. That indirect tax will fall with the greatest severity upon 50 million people who can least afford it, namely, the families comprising 50 million who are now earning less than a taxable income; and for those who get the full $20 tax cut carried in the bill sent to the Senate by the House a 1 percent increase in the cost of living will amount to far more than the tax cut. But if we deliberately vote to reduce the value of our money, we have no assurance that the inflationary spiral so touched off will end at only a 1 percent increase in the cost of living. The masses of the American people may not be alerted to what is involved before we vote in the Senate on this issue, but, Mr. President, make no mistake about their not knowing the effect of the resulting inflation if we bring it about. No man can call himself a statesman who does not have the ability to anticipate the natural and probable consequences of his voluntary act. We know there can be no major cut in spending so long as the present cold war continues, because 85 percent of current expenditures are either for the defense establishment or the fixed charges growing out of previous wars. The natural and probable consequence, therefore, of cutting revenue when expenditures cannot be cut will be a vote for inflation, and I cannot believe that any Member

of the Senate would knowingly and willingly cast such a vote.

Mr. MARTIN of Pennsylvania. Mr. President, will the Senator yield for a few questions?

Mr. ROBERTSON. I am very glad to yield to my distinguished colleague from Pennsylvania.

Mr. MARTIN of Pennsylvania. Does not the Senator from Virginia believe that the chief cause of inflation is deficit financing, or the creating of debt?

Mr. ROBERTSON. That is one cause. It results in a surplus of money being placed in circulation. It is the easiest way to create a surplus of money over goods.

Mr. MARTIN of Pennsylvania. Mr. President, will the Senator yield further?

Mr. ROBERTSON. I yield.

Mr. MARTIN of Pennsylvania. Is it not correct to say that the people of our country who are injured most by inflation are those in the small-income brackets, or those who have a fixed income, such as from wages or investments?

Mr. ROBERTSON. That is indubitably true. They cannot protect themselves from the effect of inflation. They spend all they make for consumer goods. When the price goes up, they must pay the higher price or do without some necessities of life. Some people believe they know how to hedge on inflation, and they do temporarily hedge against it. If the inflation comes to an early end, they may realize a very substantial profit. However, I believe all economists are agreed that if the inflation lasts long enough and the subsequent reaction is deep enough, it is impossible to hedge against inflation, and the inflation hurts everyone.

As I pointed out in my remarks, we already have an unprecedented amount of currency in circulation. The present $18 billion of reserves of the Federal Reserve System is supporting $120 billion of deposits and bank check money.

If there is a deficit of $4 billion, $5 billion, or $6 billion, a large portion of it will be paid by the commercial banks. As I have already pointed out, when a commercial bank buys a thousand-dollar bond, it can issue a new thousand-dollar note. That is where the new money will come from.

Mr. MARTIN of Pennsylvania. I thank the Senator. His statement is very clear.

FAIR PLAY FOR WESTERN STATES

Mr. BARRETT. Mr. President, last month I introduced S. 680. The objective of that bill is to transfer to the public-land States the oil and gas and other leasing act minerals in the public domain for the benefit of their public schools and for other State purposes. It seems to me that any intelligent discussion of this proposal necessarily requires than an examination be made of the broad aspects of our historic public-land policy.

OUR FUNDAMENTAL CONCEPTS OF GOVERNMENT

No nation on earth had such a noble and inspiring origin, Mr. President, as had your country and mine. Our great Nation was founded on the principle of freedom for the individual. Our forefathers were firm believers in the sacredness of personality and the seriousness of human life. They were determined that the dignity of man should be the cornerstone of our Republic. When our Founding Fathers drafted the Declaration of Independence and the Constitution of the United States, their political philosophy was based on strong and abiding convictions. One of their basic tenets was that under the natural law man is endowed with certain inalienable rights among which is the right to own property. They were determined that this principle should be a paramount precept in the law of our land. Thus was laid the groundwork for private ownership of property and the development of a free competitive private enterprise system.

PUBLIC LANDS IN EARLY TIMES

History records that from the beginning our public lands played a significant role in forging together a Union of great States and contributed immeasurably to their growth and development. The vast unsettled area of public lands proved to be the powerful magnet that attracted millions of emigrants from Europe to our shores in one of the greatest mass movements of people to be found in the annals of history. These emigrants were exiles from their homelands because of political, religious, and economic oppression and knew full well that under the old feudal system of land tenure only royalty were free to own land. They came to America in search of freedom. The free lands in the rich valleys of America provided the golden opportunity for those enterprising and intrepid souls who sailed thousands of miles across a treacherous ocean to establish their homes and to rear their families on the virgin soil of the new world. By their indomitable will and unconquerable spirit they succeeded far beyond their fondest dreams. They were eternally thankful that the feudal system was foreign to the American way of life. Speaking on the floor of the United States Senate about 1830, Senator Thomas Hart Benton, the illustrious exponent of settlement of the public domain, summed up the case of private ownership in these words:

> Tenantry is unfavorable to freedom. It lays the foundation for separate orders in society, annihilates the love of country, and weakens the spirit of independence. The farming tenant has, in fact, no country, no hearth, no domestic altar, no household god. The freeholder, on the contrary, is the natural supporter of a free government; and it should be the policy of republics to multiply their freeholders, as it is the policy of monarchies to multiply tenants. We are a Republic, and we wish to continue so: then multiply the class of freeholders; pass the public lands cheaply and easily into the hands of the people; sell, for a reasonable price, to those who are able to pay; and give, without price, to those who are not.

THE ORIGINAL COLONIES RETAINED THEIR PUBLIC LANDS

The Original Colonies retained all their lands; the Federal Government never laid claim to ownership of a single acre within their borders. By the Constitution the Federal Government was granted full and complete title and jurisdiction to the District of Columbia which was not to exceed 10 miles square and, also, such lands in the States as may be necessary for post offices, forts, arsenals, and other needful buildings. There were many obstacles to overcome before a union could be achieved. There were sharp political and economic differences among the people of the Thirteen Colonies. Because of this discord it was debatable whether a union could be formed, let alone whether it would endure if organized.

PUBLIC LANDS WERE SOURCE OF BITTER ARGUMENT BEFORE UNION WAS PERFECTED

The chief bone of contention was the so-called backlands. They were in an area that was later known as the Northwest Territory and constituted the wide expanse of unsettled lands beyond the western boundaries of the Colonies. They were commonly called crown lands because they were originally the subject of grants to some of the Colonies from the British Crown. The title to that vast empire of about a quarter of a billion acres was tenuous and weak. It was likely that, because of the indefiniteness of the claims and the overlapping boundaries, these lands would be a continual source of argument and dispute. Only seven of the Colonies laid claim to that vast area. The other Colonies were fearful that, unless these claims were surrendered, the Union would consist of 7 strong and powerful States along with 6 weak and impoverished neighbors. So long as the western lands were claimed by the seven Colonies, they were a potential threat to a federal union. It was inevitable that a satisfactory solution must first be found to the western land question before a union could be formed. The fight was between the landed and the landless.

STATES WITHOUT LAND GRANTS IN OHIO COUNTRY MADE STATES WITH CLAIMS CEDE THEM TO THE UNION

Maryland led the battle for the landless States. Its assembly instructed its delegates to submit the following resolution to the Continental Congress in 1778:

> We are convinced policy and justice require that a country unsettled at the commencement of this war, claimed by the British Crown, and ceded to it by the Treaty of Paris, if wrested from the common enemy by the blood and treasure of the 13 States, should be considered as a common property, subject to be parceled out by Congress into free, convenient, and independent governments, in such manner and at such times as the wisdom of that Assembly shall hereafter direct.

The Congress of the Confederation passed a resolution in September 1780 urging the States to cede their claims to the Union in order to bring about harmony and better feeling among the Colonies, and in October 1780 the Continental Congress agreed to the following resolution:

> The unappropriated lands that may be ceded or relinquished to the United States * * * shall be disposed of for the common benefit of the United States, and be settled and formed into distinct republican States, which shall become members of the Federal Union, and have the same rights of sovereignty, freedom and independence as the other States.

This resolution proved to be the basis for the Ordinance of 1787, which was enacted the same year the Constitution was signed, but before its adoption. Our public-land policy was now in its formative stages. That it had a powerful effect on the formation of our great Union is plain and evident. Instead of colonies, territories, or dependencies, it was proposed and fully intended that new States be created and that new stars be added to the flag. The assurances inherent in these resolutions provided the inducement that brought approximately 267 million acres into the Federal domain, which prompted Morison and Commager, in their Growth of the American Republic, volume I, page 145, to remark:

This common possession of millions of acres of land was the most tangible evidence of nationality and unity that existed during these troubled years, and gave a certain substance to the idea of national sovereignty.

ORDINANCE OF 1787 LAID THE PATTERN FOR EQUAL RIGHTS FOR NEW STATES

After the cessions were made, the Congress enacted the famous Ordinance of 1787, which provided for the erection of the States of Ohio, Indiana, Illinois, Wisconsin, and Minnesota in the Northwest Territory in the following language:

To provide also for the establishment of States, and permanent government therein, and for their admission to a share in the Federal councils, on an equal footing with the original States, at as early periods as may be consistent with the general interest.

There were two impelling reasons which made possible the enactment of this ordinance. In the first place, unless the great unsettled empire to the west was surrendered it was possible, if not probable, that there would have been no Union at all. In the second place, the new Union was wholly without means to pay the large Revolutionary War debt. It had no power to tax. The only source of income for the proposed United States was from the sale of the public domain. Undoubtedly, the States claiming these lands were impelled to cede them to the United States largely so that the war debt could be liquidated without the necessity of prorating and assessing it among the original States. The Congress was very liberal in selling and disposing of the lands in the Northwest Territory, and before long sufficient funds from land sales were on hand to pay off the entire Revolutionary War debt. The so-called Public Land States of that day thereupon immediately insisted that the Congress divest itself of title to these lands at the earliest possible moment.

In 1832 the Public Lands Committee of the United States Senate made a complete survey of the whole land question, and reported to the Senate in part as follows:

Our pledge would not be redeemed by merely dividing the surface into States and giving them names. The public debt being now paid, the public lands are entirely released from the pledge they were under to that object, and are free to receive a new and liberal destination for the relief of the States in which they lie. The speedy extinction of the Federal title within their limits is necessary to the independence of the new States, to their equality with elder States, to the development of their resources, to the subjection of their soil to taxation, cultivation, and settlement, and to the proper enjoyment of their jurisdiction and sovereignty.

EQUAL TREATMENT INTENDED

There can be no question that during the formative years of the country, it was clearly intended to treat the new States on the same basis as the original States. The strong language that the new States should be "distinct republican States and have the same rights of sovereignty as the other States" makes that intention crystal clear, although there was no strict injunction requiring the Congress to admit States upon an equal footing. The Supreme Court time and again has referred to equality of States as an accepted truism of our constitutional law.

KENTUCKY ADMITTED AND OBTAINS ITS PUBLIC LANDS THROUGH ACTION OF VIRGINIA

Virginia consented to the creation of Kentucky out of its territory. Since Virginia did not cede the public lands in the territory to the Federal Government, Kentucky retained all of its public domain. In its admission act it was declared that Kentucky should be "a new and entire member of the United States of America."

TENNESSEE ALSO GETS ITS PUBLIC DOMAIN

In 1796 the Congress established the State of Tennessee from the western lands North Carolina had ceded to the Federal Government 6 years earlier. The Tennessee Enabling Act contained no reservation of the public domain. Title to the public lands in Tennessee was a matter of bitter dispute between the United States and Tennessee, and eventually that State secured full rights to its public lands. The act whereby Tennessee came into the Union contained this language: "On an equal footing with the original States in all respects whatever." When Georgia executed its deed of cession, Alabama was admitted to the Union on an equal footing with the original States, and later the Supreme Court found occasion to examine that State's rights in the public lands within its borders rather thoroughly.

STATES CONTEND THAT OWNERSHIP OF SOIL IS ATTRIBUTE OF SOVEREIGNTY

The Congress was extremely liberal in its policy affecting the disposal of the public domain in the Northwest Territory, and at an early date practically all the lands within the borders of the States carved out of that area were either privately owned or granted to the States themselves. No doubt the leaders in the executive arm of the Government and in the Congress during the early years proceeded on the theory that ownership of the soil was an essential attribute of sovereignty and that the people of the new States and the States themselves should ultimately own and control all the soil within their confines.

THE DESTINY OF OUR COUNTRY LINKED WITH PUBLIC LANDS

It is significant that the only provision in the Articles of Confederation for increasing the number of States specifically sets forth that "Canada acceding to the confederation and joining in the measures of the United States shall be admitted into the Union." It seems that nations, like individuals, find that their lives and their destinies are often affected in a marked degree by circumstances over which they have little or no control. By no stretch of the imagination can one conclude now that the founders of our country contemplated or designed a nation extending from one ocean to another and from Canada to Mexico. If the Thirteen Colonies had not contracted such a huge debt in carrying on the Revolutionary War, it is not at all certain that the States in the Northwest Territory would have been admitted into the Union. During the period the Constitution was under consideration, there had been ceded to the United States all the western country, from the Canadian line to Florida, and from the head of the Mississippi almost to its mouth, except that portion which now constitutes the State of Kentucky. Those were the days when the policy of expansion and nation building were in the process of formation.

Our Founding Fathers wrote into the Constitution provisions governing admission of States and the power to dispose of public lands, as well as the rights of citizens of each of the States. The appropriate sections of article 4 are as follows:

SEC. 2. The citizens of each State shall be entitled to all privileges and immunities of citizens in the several States.

SEC. 3. New States may be admitted by the Congress into this Union; but no new State shall be formed or erected within the jurisdiction of any other State; nor any State be formed by the junction of two or more States, or parts of States, without the consent of the legislatures of the States concerned, as well as of the Congress.

The Congress shall have power to dispose of and make all needful rules and regulations respecting the Territory or other property belonging to the United States; and nothing in this constitution shall be so construed as to prejudice any claims of the United States, or of any particular State.

SEC. 4. The United States shall guarantee to every State in this Union a republican form of government, and shall protect each of them against invasion; and on application of the legislature, or of the executive (when the legislature cannot be convened), against domestic violence.

COURT SAYS "NEW STATES HAVE EQUAL SOVEREIGNTY WITH OLDER STATES"

The construction placed by the courts on section 3, providing that "new States may be admitted by the Congress into this Union," is discussed and disposed of in this language on pages 518 and 519 of the Constitution of the United States, as amended to December 1, 1924—annotated:

This clause refers to and includes new States to be formed out of territory yet to be acquired, as well as that already ceded to the United States. New States when admitted have equal sovereignty with the older ones, and are entitled to all the rights of jurisdiction and eminent domain which the original States possessed, whether such equality be stipulated for in the act of admission or not * * * when, also, a State enters into the Union, it solemnly pledges to the other States to support the Constitution as it is, in all its provisions, until altered in the manner which the Constitution itself

provides, and she cannot, by a compact with the United States, enlarge or diminish her constitutional rights or liabilities.

Attention is invited to the proviso at the end of section 3 affecting public lands: "And nothing in this Constitution shall be so construed as to prejudice any claims of the United States, or of any particular State."

FORTUITOUS CIRCUMSTANCES MADE OUR COUNTRY BIG AND POWERFUL

Not by design on our part but rather as a result of a combination of fortuitous circumstances were we able to conclude the Louisiana Purchase which doubled the territory of our country. We wanted to purchase the mouth of the Misssissippi for security reasons and Jefferson sent his envoys to Paris to negotiate with France. Napoleon was in dire financial distress and, consequently, with a magnificent gesture threw the great heartland of America into the laps of our envoys. When France refused to sell only New Orleans, Livingston and Monroe decided to pay Napoleon $27 million for the whole province. Bemis, in his A Diplomatic History of the United States, writing about the Louisiana Purchase on page 137, states:

It gave to the Nation one of the earth's richest storehouses of foodstuffs, fuel, and power. It impounded within American boundaries the great valley of the Mississippi which some still say will be the terrestrial foundation of English-speaking culture of future centuries. Be that as it may or may not be, Louisiana became the vestibule of American expansion to Florida, Texas, New Mexico, California, and Oregon.

THE STORY OF OUR EXPANSION

The building of the great continental United States that we know today was in the making. Following the purchase of the Louisiana Territory, the public domain was expanded through the purchase of Florida from Spain in 1819, the annexation of Texas in 1845, the acquisition by treaty of Oregon Territory in 1846, the Mexican cession of 1848, the Texas Purchase from that State in 1850, and the Gadsden Purchase from Mexico in 1853. That is the story of the building of the United States of America.

BY COVENANTS IN TREATIES WITH FRANCE AND MEXICO, WESTERN STATES ASSURED EQUAL RIGHTS

The treaty with France concluding the Louisiana Purchase and that with Mexico authorizing the Mexican cession made it abundantly clear that States would be carved out of the ceded areas and that they would be placed on an equal footing with all other States. The treaty with France provided:

The inhabitants of the ceded territory shall be incorporated into the Union of the United States and admitted as soon as possible, according to the principles of the Federal Constitution, to the enjoyment of all the rights, advantages, and immunities of the citizens of the United States.

The treaty with Mexico contained the following provision:

Article IX: Mexicans * * * in the territories * * * shall be incorporated into the Union of the United States, and be admitted at the proper time * * * to the enjoyment of all the rights of citizens of the United States, according to the principles of the Constitution.

OVER CENTURY AGO FEDERAL OWNERSHIP DEBATED IN SENATE

In construing these covenants the courts have uniformly held that these lands were transferred to the United States as trustee and subject to the condition that the lands shall be formed into States on an equal footing with the original States. The question of Federal ownership, even as trustee, of such a large portion of the new States was the subject of heated debate shortly after the Louisiana Purchase. In 1829, Senator Hendricks, of Indiana, argued rather vehemently on the floor of the Senate in this fashion:

This Union is in theory formed of sovereign, equal people, and independent States. In the older members of this Confederacy, the Federal Government sets up no claim to the waste and unappropriated lands. A statesman or historian making himself acquainted with our system would pronounce it in theory beautiful. With nothing would he be more pleased than with the republican equality of the States. But what would be his surprise when told that in 7 of these States the soil itself belongs to the Government of the Union, while in 17 States the soil belonged to the States themselves. Would he not instantly inquire why are the States of this Confederacy equal in theory when they are not so in fact? Why are they not equal in reality as they are in name?

In a Senate speech in January 1825 Daniel Webster stated:

The great object of the Government in respect of these lands is not so much the money derived from their sale as it is the getting them settled. What I mean to say is I do not think we ought to hug that domain as a great treasure which is to enrich the exchequer.

Senator Hayne argued on the Senate floor in January 1830 in these words:

In short, our whole policy in relation to the public lands may perhaps be summed up in the declaration with which I set out, that they ought not to be kept and retained forever as a great treasure, but that they would be administered chiefly with a view to the creation within reasonable periods, of great and flourishing communities, to be formed into free and independent States; to be invested in due season with the control of all the lands within their respective limits.

I do not contend by any manner or means that the public land States can safely rely on a strict legal right to obtain recourse under the law with respect to the public lands within their borders. This is an equity case that appeals to the conscience of the court, which in this case is the Congress. Let us first determine the exact nature of the title of the United States to the public domain. Under the Constitution the Federal Government was empowered to own outright lands within the States only for the purposes outlined in paragraph 17 of section 8, article 1 of the Constitution, which reads as follows:

To exercise exclusive legislation in all cases whatsoever, over such district (not exceeding 10 miles square) as may, by cession of particular States, and the acceptance of Congress, become the seat of the Government of the United States, and to exercise like authority over all places purchased by the consent of the legislature of the States in which the same shall be, for the erection of forts, magazines, arsenals, dockyards, and other needful buildings.

FEDERAL GOVERNMENT OWNS PUBLIC LANDS AS TRUSTEE ONLY

The public lands acquired by treaties and cessions are held by the United States in a limited ownership as trustee. This has been the accepted and recognized rule of law by court decisions, time and time again. By its very nature a trust does not run forever. The Supreme Court of the United States went into this question quite thoroughly in the case of *Pollard's Lessee* v. *Hagen et al.* (3 Howard), with Justice McKinley delivering the opinion of the Court.

Page 221: We think a proper examination of this subject will show, that the United States never held any municipal sovereignty, jurisdiction, or right of soil in and to the territory, of which Alabama or any of the new States were formed; except for temporary purposes, and to execute the trusts created by the acts of the Virginia and Georgia legislatures, and the deeds of cession executed by them to the United States, and the trust created by the treaty with the French Republic, of April 30, 1803, ceding Louisiana. * * *

Page 222: Taking the legislative acts of the United States, and the States of Virginia and Georgia, and their deeds of cession to the United States, and giving to each, separately, and to all jointly, a fair interpretation, we must come to the conclusion that it was the intention of the parties to invest the United States with the eminent domain of the country ceded, both national and municipal, for the purposes of temporary government, and to hold it in trust for the performance of the stipulations and conditions expressed in the deeds of cession and the legislative acts connected with them. To a correct understanding of the rights, powers, and duties of the parties to these contracts, it is necessary to enter into a more minute examination of the rights of eminent domain, and the right to the public lands. When the United States accepted the cession of the territory, they took upon themselves the trust to hold the municipal eminent domain for the new States, and to invest them with it, to the same extent, in all respects, that it was held by the States ceding the territories. * * *

Page 223: The right which belongs to the society, or to the sovereign, of disposing, in case of necessity, and for the public safety, of all the wealth contained in the State, is called the eminent domain. It is evident that this right is, in certain cases, necessary to him who governs, and is, consequently, a part of the empire, or sovereign power. * * *

Page 224: The right of Alabama and every other new State to exercise all the powers of government, which belong to and may be exercised by the original States of the Union, must be admitted, and remain unquestioned, except so far as they are, temporarily, deprived of control over the public lands. * * *

Whenever the United States shall have fully executed these trusts, the municipal sovereignty of the new States will be complete, throughout their respective borders, and they, and the original States, will be upon an equal footing in all respects whatever.

SUPREME COURT DISCUSSES PUBLIC LANDS

Chief Justice Taney in delivering the opinion of the Supreme Court in the case of Scott against Sanford discussed related questions on public lands in the course of the decision, and I shall cite here a few excerpts:

Page 446: There is certainly no power given by the Constitution to the Federal Government to establish or maintain colonies bordering on the United States or at a distance, to be ruled and governed at its own

pleasure; nor to enlarge its territorial limits in any way, except by the admission of new States. * * * No power is given to acquire a territory to be held and governed permanently in that character.

Page 447: The power to expand the territory of the United States by the admission of new States is plainly given. * * * It is acquired to become a State, and not to be held as a colony and governed by Congress with absolute authority; and as the propriety of admitting a new State is committed to the sound discretion of Congress, the power to acquire territory for that purpose, to be held by the United States until it is in a suitable condition to become a State upon an equal footing with the other States, must rest upon the same discretion. * * *

The principle upon which our governments rest, and upon which alone they continue to exist, is the union of States, sovereign and independent within their own limits in their internal and domestic concerns.

The Court discussed in that decision the lands ceded by the Louisiana Purchase as affected by the third article of the Louisiana Treaty, which reads as follows:

The inhabitants of the ceded territory shall be incorporated in the union of the United States, and admitted as soon as possible, according to the principles of the Federal Constitution, to the enjoyment of all the rights, advantages, and immunities, of citizens of the United States; and, in the meantime, they shall be maintained and protected in the free enjoyment of their liberty, property, and the religion which they profess.

The words of the Court were:

Page 448: At the time when the territory in question was obtained by cession from France, it contained no population fit to be associated together and admitted as a State; and it therefore was absolutely necessary to hold possession of it, as a Territory belonging to the United States, until it was settled and inhabited by a civilized community capable of self-government, and in a condition to be admitted on equal terms with the other States as a member of the Union. But, as we have before said, it was acquired by the General Government, as the representative and trustee of the people of the United States, and it must therefore be held in that character for their common and equal benefit; for it was the people of the several States, acting through their agent and representative, the Federal Government, who in fact acquired the territory in question and the Government holds it for their common use until it shall be associated with the other States as a member of the Union.

But the power of Congress over the person or property of a citizen can never be a mere discretionary power under our Constitution and form of government. The powers of the Government and the rights and privileges of the citizen are regulated and plainly defined by the Constitution itself.

JUSTICE CATRON HOLDS CITIZENS' RIGHTS TO PUBLIC DOMAIN ARE BASED ON PARAMOUNT RIGHT OF THEIR STATE UNDER CONSTITUTION

Justice Catron in a separate, concurring opinion refers to the constitutional provision referred to earlier by pointing out that the guaranty that the citizens of the new States shall be entitled to all the privileges of the citizens of the several States means that the citizens of the new States shall have equal rights in the public domain, as the citizens of the older States did in their own State. In those days they referred to the public lands as territories. It is important to note that the citizens came into their rights through their States in this language:

Page 527: The Constitution having provided that "the citizens of each State shall be entitled to all privileges and immunities of citizens of the several States," the right to enjoy the Territory as equals was reserved to the States, and to the citizens of the States, respectively. The cited clause is not that citizens of the United States shall have equal privileges in the Territories, but the citizen of each State shall come there in right of his State, and enjoy the common property. He secures his equality through the equality of his State, by virtue of that great fundamental condition of the Union—the equality of the States.

The theory of Justice Catron's decision is that the States had reserved the ultimate power over their own soil. On the other hand, the United States had temporary authority over the public domain in the States for the purpose of disposal under the Constitution and international treaties.

It is plain that one of the moving considerations in each of the treaties and cessions is the provision whereby our country agreed that States would be created out of the area granted and admitted to the Union on an equal footing with the original States. The lands were transferred to the United States to be held until the lands could be surrendered to the States and the citizens thereof. The United States was given title to the lands coupled with a trust. That point will bear repeating. True, we cannot enforce the trust, but certainly we can appeal to Congress to live up to the terms of the trust. Black's Law Dictionary, at page 1759, defines a trust as follows:

An obligation arising out of a confidence reposed in the trustee or representative, who has the legal title to property conveyed to him, that he will faithfully apply the property according to the confidence reposed, or, in other words, according to the wishes of the grantor of the trust.

From the above discussion these points should be kept clearly in mind:

WE RECAPITULATE

First, the original States retained for themselves the full and complete ownership and control over all the lands within their borders.

Second, under our historic policy new States were to be admitted on a free and equal basis with the original States.

Third, some of the States such as Tennessee and Kentucky, as well as other States, were permitted to retain all the public domain within their confines when they were admitted to the Union.

Fourth, the public domain within the area known as the Northwest Territory was carved into States and the lands were transferred to the States for school or improvement purposes or patented to individuals, and, as a consequence, these States were placed on an equal footing with the original States at an early date.

Fifth, Texas retained all its public lands at the time of its admission to the Union, since Congress was unwilling to assume the existing indebtedness in the State.

Sixth, the Federal Government obtained the title to much of our frontiers mainly by treaties and cessions, all of which stipulated that the area would be carved into States and admitted to the Union on an equal footing with the original States, and that such agreement constitutes a trust.

Seventh, the United States did not become the absolute and unqualified owner of the land but holds it as trustee for the people and for the States that were carved out of the ceded area.

THE PUBLIC LANDS EAST OF THE ROCKIES—SETTLEMENT ENCOURAGED

As was said earlier, nearly a century of effort was exerted to get settlers on the lands, first in the Mississippi and then in the Missouri Valley. An eminent writer has described that era as follows:

In the latter half of the 19th century the spirit of the public land laws in the United States was settlement and development. With a public domain of 1⅓ billion acres, acquired in the preceding half century—the wilderness called for pioneers of every type, and large premiums were held out to capital enterprise and individual initiative. Development was desired whatever the cost in lands that were intrinsically of little value without settlement. The same century that saw the creation of this national domain—an empire in itself—also witnessed the distribution of more than one-half of its acreage. Western prairies have become the world's granary.

The Homestead Act of 1862 provided the vehicle whereby hundreds of thousands of veterans of the Civil War and other citizens were able to acquire rich farmlands and do their part in building a nation of freedom-loving homeowners.

It is true that the public-lands question was a subject of intense and bitter controversy during every period of our history, yet on the whole it can be said that the great area from the Rocky Mountain States east to the Atlantic, and between Canada and the gulf, was treated generously insofar as homesteading was concerned and, also, with respect to grants to the States for schools and other purposes. At an early date the States in that section of the country found that they were substantially on a par with the older States of the Union.

WYOMING CREATED OUT OF FOUR CESSIONS—WYOMING ENABLING ACT AND CONSTITUTION

Wyoming has the distinction of having been forged out of the public domain acquired through the Louisiana, Texas, and Mexican Purchases and under the Oregon Treaty. While it is true that the people of our State disclaimed title to the public lands within their borders, this was done on the basis of court decisions that it did not change or alter in any respect the constitutional right of the State as a free and equal State of the Union. It is interesting to note the language in the act admitting Wyoming into the Union:

Whereas the people of the Territory of Wyoming did, on the 30th day of September 1889, by a convention of delegates called and assembled for that purpose, form for themselves a constitution, which constitution was ratified and adopted by the people of said territory at the election held therefor on the first Tuesday in November 1889, which constitution is republican in form and is in conformity with the Constitution of the United States; and

Whereas said convention and the people of the said Territory have asked the admission of said Territory into the Union of States on an equal footing with the original States in all respects whatever; therefore

Be it enacted, etc., That the State of Wyoming is hereby declared to be a State of the United States of America, and is hereby declared admitted into the Union on an equal footing with the original States in all respects whatever; and that the constitution which the people of Wyoming have formed for themselves be, and the same is hereby, accepted, ratified, and confirmed.

It is interesting, also, to note the section in the constitution of Wyoming reaffirming that provision of the Constitution of the United States giving to Congress the power to dispose of our public lands without prejudice to the right of the State of Wyoming in these words which will bear repeating.

Article IV, section 3, Constitution of the United States:

The Congress shall have power to dispose of and make all needful rules and regulations respecting the territory or other property belonging to the United States; and nothing in this Constitution shall be so construed as to prejudice any claims of the United States, or of any particular State.

Please note the language in article 21, section 26, of the constitution of Wyoming referring to the fact that at some future date the title of the United States to the public domain of Wyoming will be extinguished:

The people inhabiting this State do agree and declare that they forever disclaim all right and title to the unappropriated public lands lying within the boundaries thereof * * *, and that until the title thereto shall have been extinguished by the United States, the same shall be and remain subject to the disposition of the United States.

ENABLING ACTS DO NOT ALTER CONSTITUTIONAL RIGHTS OF STATES

Nearly every authority on the subject agrees that under the compacts with the States whereby the States waive or cede their rights to the public lands and agree that they will not interfere with the primary disposal of the soil by the Congress, the States were justified on relying on the belief that the United States would observe the terms of the trust. The Supreme Court has held that these compacts in the enabling acts of the States cannot and do not alter their constitutional rights. In the Supreme Court case of *Coyle* v. *Oklahoma* (221 U. S. 567), the question arose whether by the terms of the enabling act a State might be denied the right to exercise powers that belong to the original States. The Court declared that Congress has—

The power * * * to admit new States into this Union. This Union was and is a Union of States, equal in power, dignity, and authority, each competent to exert that residuum of sovereignty not delegated to the United States by the Constitution itself. To maintain otherwise would be to say that the Union, through the power of Congress to admit new States, might come to be a Union of States unequal in power, as including States whose powers were restricted only by the Constitution, with others whose powers had been further restricted by an act of Congress accepted as a condition of admission.

TRUST MUST BE COMPLIED WITH BEFORE WYOMING IS EQUAL STATE OF THE UNION

Who can deny that until the trust is finally executed the new States are by no manner or means equal States of our great country sitting in its councils on the same footing with the older States. It was never contemplated that any of the States should be only half-States. The trust cannot go on forever. It was never so intended. In truth and in fact Wyoming is much less than a half-State today. The time has come for Wyoming to be put on a par with the other States. It is high time that all the Western States came into that full sovereignty and equality with other States to which they are entitled as a matter of equity and right.

The great weakness of the Homestead Act was its utter unadaptability to the western country. The idea of a small farm in the semiarid regions was wholly untenable. While the arid and semiarid lands of the West presented new problems, and undoubtedly accounted for the abrupt reversal in the historic land policy of the Nation, no one anticipated that this complete change in concept would eventually make the Federal Government the perpetual landlord over most of the area in the Western States. However, the current policy of withdrawal, classification, reservation, and development by the Federal Government, under its supervision of the public lands of the West, has had precisely this effect. The Congress attempted to improve the situation in this regard by enacting the Stockraising Homestead Act of 1916 whereby a settler was entitled to the surface of 640 acres of land with the Government retaining the minerals.

PERMANENT RESERVATION UNREASONABLE, UNFAIR, AND UNCONSTITUTIONAL

Little did our forefathers think that an expanding bureaucracy would sink its tenacles into the public lands of the West and attempt to hold these lands forever under its control and dominion. To reserve permanently and keep from development and under Federal control one-half of a State is both unreasonable and unfair. It violates the conditions imposed in the treaties under which the lands were acquired. Someone might say if that is true why not go into court and enforce the treaty. In the first place, there is not any court to take jurisdiction. In the second place, only France can complain about the failure of the United States to comply with the terms of the Louisiana Treaty, or even to object to a breech thereof, and under the circumstances there is only one way for the Western States to obtain relief and that is to appeal to the Congress for fair and equitable treatment.

By the same token only Mexico can object to a breach of the Mexican Treaty. In *Botiller* v. *Dominguez* (130 U. S. 238, Apr. 1, 1889) the supreme court said:

Two propositions under this statute are presented by counsel in support of the decision of the Supreme Court of California. The first of these is that the statute itself (9 St. 631 * * *) is invalid, as being in conflict with the provisions of the Treaty with Mexico * * * and also in conflict with the rights of property under the Constitution and laws of the United States * * *

With regard to the first of these propositions it may be said that, so far as the act of Congress is in conflict with the Treaty of Mexico, that is a matter in which the court is bound to follow the statutory enactments of its own Government. If the treaty was violated by this general statute, * * * it was a matter of international concern, which the two states must determine by treaty, or by such other means as enables one state to enforce upon another the obligations of a treaty. This court, in a class of cases like the present, has no power to set itself up as the instrumentality for enforcing the provisions of a treaty with a foreign nation which the Government of the United States, as a sovereign power chooses to disregard.

PRESIDENTIAL COMMITTEE REPORTS IN 1929

A quarter of a century ago, a presidential committee made an extensive and comprehensive study of the western land problem. The committee, which consisted of the Secretary of the Interior and the Secretary of Agriculture in office at that time, as well as James A. Garfield, a former Secretary of the Interior, and 19 other eminently qualified men, studied the question of the disposition of the remaining public lands, and on January 16, 1931, made their unanimous report to the President of the United States. Among other things the committee reported that—

All portions of the unreserved and unappropriated public domain should be placed under responsible administration or regulation for the conservation and beneficial use of its resources * * * that the remaining areas, which are valuable chiefly for the production of forage, and which can be effectively conserved and administered by the States containing them, should be granted to the States which will accept them.

TAYLOR ACT STATES PUBLIC DOMAIN WITHDRAWN UNTIL CONGRESS FINALLY DISPOSES OF SAME—THE CONGRESS INTENDS IT BE DONE SOMETIME

When, about 20 years ago, the Taylor Act was passed, withdrawing 142 million acres of public lands from homesteading, the Congress attempted to allay the fears of those who thought this was a permanent withdrawal. The Congress indicated clearly that sometime or other it would have to make final disposition of the public lands in the very first sentence of the act:

In order to promote the highest use of the public lands pending its final disposal, the Secretary of the Interior is authorized, in his discretion—

That the progress and growth of the Western States is stymied by our current land policies is so evident that it does not require proof. As sovereign States they should be permitted to develop and obtain complete sovereignty over their own soil. Wyoming, with its 62,403,480 acres, is one of the largest States in the Union. It exceeds in size the whole of England, Scotland, and Wales combined. The United States owns the oil and other minerals under 44 million of Wyoming's 62 million acres. It owns both the minerals and the surface of 32,055,721 acres of our lands which constitutes over 51 percent of Wyoming's vast area. In truth, more than 70 percent of our State is actually Wyoming territory; and, judged by the standards of its older sister States, Wyoming is but a trifle over a quarter State. We have within our borders an area of land larger than the entire State of New York which is not Wyoming at all. The American land system was based on the English system, and the minerals went with the surface ownership. The period of great withdrawals is generally recognized as between 1906 and 1924.

MINERALS BELONG TO STATES

The Minerals Leasing Act of 1920 seems to indicate that the Congress intends to retain and own and hold in perpetuity the leasing act minerals enumerated in that act. It seems only right and proper that those minerals and the income therefrom should belong to the States whose soil produces those minerals. No authority can be cited in the Articles of Confederation or in the Constitution of the United States or in any decision by the judiciary to the effect that the United States would be justified in holding these great property rights as against the State in which they are found. It seems ridiculous to say that these minerals belong to all the people of the United States. As a matter of fact, Congress has already largely decreed otherwise.

TWO HUNDRED AND SIX MILLION ALREADY PAID INTO UNITED STATES TREASURY FROM WYOMING PUBLIC LANDS

The income from those minerals is divided 37½ percent to the State where the mineral is produced, 10 percent to the Treasury of the United States, and 52½ percent to the reclamation fund for the benefit of the Western States—by no means to all of the States. There are some who contend that the income from the public lands in Wyoming, mainly through oil royalties, is not a large amount. Let me disabuse them by stating that to date the total income is over $200 million. To be precise, it is exactly $206,926,955.80. The following table shows the income by years paid into the Treasury of the United States by minerals produced on the public lands of Wyoming:

Fiscal year:	*Receipts*
1921–23	$13,813,560.49
1924	12,270,500.75
1925	6,953,501.44
1926	6,883,125.55
1927	5,097,775.42
1928	2,940,091.00
1921–28	536,796.79
1929	2,835,871.32
1930	3,274,459.06
1931	2,184,422.88
1932	1,435,109.81
1933	1,224,017.37
1934	1,134,711.74
1935	1,391,220.92
1936	1,307,803.54
1937	1,503,743.29
1938	1,679,357.71
1939	1,715,298.60
1940	1,742,103.97
1941	2,081,507.37
1942	2,674,919.39
1943	2,325,403.05
1944	4,474,385.24
1945	3,841,038.57
1946	3,347,531.00
1947	4,967,522.00
1948	9,030,395.00
1949	10,827,412.00
1950	8,801,428.00
1951	12,977,921.36
1952	14,584,912.58
1953	15,269,591.25
1954	19,474,507.34
July 1, 1954, to date	12,983,004.00
Income from sale of public lands to date	9,342,026.00
Total	206,926,955.80

It seems to me that those most concerned with the inequity inherent in this situation are the children of our State, now of tender years. After all, many of them will live to see much of our minerals extracted from the soil of our State, and they will not like it when they learn that Wyoming has not benefitted from these blessings in the degree to which it is justly entitled. Assuming that the annual income from royalties under the Leasing Act continues to equal last year's income, I am sure that Senators will be as astounded as I was to learn that by the time children born this year reach their 41st birthday the total income from royalties on Leasing Act minerals produced from the public lands of our State will exceed $1 billion. To be exact the figure at that time will be $1,002,135,992.13.

OVER 108 MILLION FROM WYOMING PUBLIC LANDS PAID INTO RECLAMATION FUND

From the total of revenue received to date from the public lands of Wyoming, the sum of $108,636,653.00 has been paid into the reclamation fund. The following table shows the total credits from each of the public land States as of last year. The income from oil and gas royalties to the reclamation fund accounts largely for the total amount. As will be noted from this tabulation, Wyoming contributes from its soil nearly one-third of the entire amount.

Accretions to reclamation fund from public lands States through fiscal year 1954—Receipts from sale of public lands and from Mineral Leasing Act

State:	*Amount*
Arizona	$3,255,829.20
California	65,656,345.59
Colorado	31,576,333.72
Idaho	8,286,964.61
Montana	24,527,035.49
Nevada	2,606,666.65
New Mexico	33,440,053.37
North Dakota	12,890,259.61
Oregon	13,924,715.05
South Dakota	8,123,612.28
Utah	12,278,839.85
Washington	8,395,112.60
Wyoming	[1] 108,636,653.00
Total	333,638,421.02

[1] Includes income accruing to the Reclamation Fund from oil royalties in Wyoming from July 1, 1954 to date, in the amount of $7,475,811.00. Source: U. S. Bureau of Reclamation.

Mr. President, the records show that the Federal Government has received from the public lands of Wyoming, as of this date, the sum of $206 million. Of that amount, $108 million has been paid into the Reclamation Fund.

Ours is a poor State. There is no reason under the sun why the wealth of our State, contained in our soil, should be divided with the wealthier States of the Union. That is the foundation and the basis upon which I am asking at this time that the minerals under the soil of Wyoming be surrendered to the State for the benefit of the people of the State.

BUREAU OF RECLAMATION HAS SPENT $155 MILLION IN WYOMING—REPAID IN FULL

One of the first projects that was constructed by the Bureau of Reclamation was the Shoshone project at Cody, Wyo. It was built 55 years ago. In the meantime several other projects have been built in our State. Some projects are built for the benefit of adjoining States. Several of the projects are combined irrigation and power projects and will pay out with interest on the power features in the allotted time. The Bureau of Reclamation advises that it has spent, to date, in the State of Wyoming, a total of $155,195,997, broken down as follows:

Eden	$3,970,283
Kendrick	29,289,241
Riverton	21,332,634
Missouri River Basin:	
Boysen unit	33,389,774
Kortes unit	13,735,254
Glendo unit	876,818
Hanover-Bluff	230,320
Keyhole unit	4,697,285
Transmission division	8,507,954
Other units	2,204,830
Minidoka	2,170,665
Palisades	189,556
Shoshone	21,717,099
North Platte	12,884,284
Total	155,195,997

The repayments from the settlers on the projects are as follows:

Riverton	$554,451
Shoshone	2,412,146
North Platte	3,704,668
Total	6,671,265

The net income from power projects to date is $7,795,036, which is itemized in this fashion:

Kendrick	$3,846,228
Riverton	437,930
Shoshone	3,197,162
North Platte	413,716
Total	7,795,036

To recapitulate, the Bureau of Reclamation has spent for all projects in our State a total of $155,195,997. As against this expenditure, must be credited:

(a) Payment from settlers	$6,671,265
(b) Income from power (excluding interest)	7,795,036
(c) Receipts from oil and gas royalties on Wyoming public lands and paid to reclamation fund	108,636,653
(d) Amount paid into Treasury of the United States representing 10 percent of entire receipts from oil and gas royalties	19,758,493
Total	142,861,447
Balance necessary to completely reimburse Bureau of Reclamation for all expenditures in Wyoming to date	$12,334,550

The difference between total payments to the Federal Government from public lands and the cost of reclamation projects is $12,334,550.

Mr. President, from the above it is clear that sometime this year the Federal Government will be completely reimbursed for all reclamation expenditures made in my State by payments from the settlers on the projects, by net income from power projects, and by income from minerals produced on the public lands of Wyoming. It can safely be said that unless the law shall be changed Wyoming will pay for its projects several times over, and thereafter the money will be used to pay for large projects in other and wealthier States.

WYOMING PEOPLE UNHAPPY

Mr. President, the people of my State are kindly and generous, but I must confess that they are not at all happy at the

prospect that several hundred million dollars accruing to the Federal Government from the income on mineral production on Wyoming public lands will be used to build big irrigation projects in other States. When the reclamation law was put on the books a half century ago, and later when the Mineral Leasing Act was passed, Congress dedicated a great part of the income from the public lands to the reclamation fund on the theory that this money represented income from the depletion of exhaustible resources in the public-land States and that it was only fair and proper that it should be put right back in the Western States in the form of a continuing resource such as reclamation projects. No thought was given to the possibility that the time would come when one State would contribute so much to the reclamation fund from its own soil, only to see it used elsewhere to develop projects in other States that are endowed with far greater resources of one character or another. Our State has more coal than has all of Europe. Someday ways will be found to extract chemicals from the great storehouse and, at the same time, to produce power sufficient to maintain an enormous industrial community. Wyoming is rich in countless mineral resources, but I ask, Why should not our State be the beneficiary of these blessings? The present policy of extracting the wealth from our soil and using it for improvements in other States can only result in the eventual impoverishment of Wyoming and the enrichment of our sister States. One can realize that this is a critical situation since such a large proportion of the wealth of our State consists of these rich irreplaceable resources. It seems strange that even today, when we are in the midst of the production of so much of this mineral wealth, we are experiencing such great difficulty in maintaining schools for the education of our children.

MY BILL WILL CORRECT THE INJUSTICE

Mr. President, in an effort to do simple justice to the people of my State and to correct the situation that I have outlined here today, I introduced in the Senate last month S. 680, and my colleague, Representative KEITH THOMSON, has introduced a companion bill, H. R. 2678, in the House of Representatives. Under my bill the Federal Government will retain the title to the surface of the public lands in Wyoming and in the Western States, but the minerals and mineral rights and royalties are transferred to the States for the benefit of our public schools, State university, public roads, and for such other purposes as the legislature may direct. Mr. President, I ask unanimous consent to have printed in the body of the RECORD at this point the text of my bill, S. 680.

The PRESIDING OFFICER (Mr. MANSFIELD in the chair). Without objection, it is so ordered.

The bill (S. 680) is as follows:

Be it enacted, etc., That subject to the provisions of section 2 of this act all minerals (including oil and gas) and mineral rights subject to disposition under the provisions of the act entitled "An act to promote the mining of coal, phosphate, oil, oil shale, gas, and sodium on the public domain," approved February 25, 1920, as amended (41 Stat. 437), are hereby granted to the several States within the territorial boundaries of which the lands wherein such minerals and mineral rights exist are situated. Such grant shall include the rights of ingress, egress, and regress with respect to such lands by such States or their lessees or permittees for the purpose of exploring for, mining, or otherwise recovering such minerals. In the event that there is outstanding, on the date on which any grant made by this act takes effect, any lease or permit with respect to any minerals or mineral rights included in such grant, the State receiving such grant shall succeed on such date to the position of the United States as lessor or permitter under such lease or permit.

SEC. 2. (a) The grant made by the provisions of the first section of this act shall be conditional in the case of each State upon such State—

(1) granting 1 percent of the oil and gas and other hydrocarbons produced and saved from deposits received under the provisions of this act, and such proportion of the other minerals produced from such deposits as may be determined to be just and proper by such State, to the owner of record of the land wherein such oil, gas, hydrocarbons, or other minerals exist, except where such owner is the United States or any agency thereof; and

(2) providing for the use by such State or the subdivisions thereof of the income from the remainder of such oil, gas, hydrocarbons, and other minerals and any other income resulting from the grants made by the provisions of the first section of this act for the construction and maintenance of public roads or the support of public schools or other public institutions, as the legislature of the State may direct.

Upon the determination by the Secretary of the Interior that a State has made proper provision for the satisfying of the conditions provided in this section, he shall cause to be delivered to the proper officials of such State an instrument evidencing the grant made under the provisions of this act together with such maps, records, books, and documents as may be necessary for the enjoyment, control, use, administration, and disposition of such minerals and mineral rights. Such grant shall be effective with respect to such State upon the receipt of such instrument by such officials.

(b) Upon such grant taking effect as provided in subsection (a) all Federal laws and regulations relating to the disposition of the minerals and mineral rights granted shall cease to be applicable to such minerals and mineral rights.

ONE PERCENT TO THE LANDOWNERS—JUSTICE TO SETTLERS

Mr. BARRETT. Mr. President, the bill provides that 1 percent of the royalties from oil and gas production shall be paid to the owners of the surface in cases where the Government reserved and owns the minerals. There are any number of cases where the owner of the surface finds that the production of oil on his land has practically destroyed his opportunity to use the surface. In most cases the owners of these lands find that their right to use the lands is jeopardized by almost continuous investigations by geologists and geophysical crews to the point where it is difficult to graze their livestock on their own lands. They pay taxes on the lands but they have only a limited ownership.

Those sturdy settlers who took up stockraising homesteads in our State found that they were practically the first citizens of the country who did not get a full fee simple title to the land when they proved up. They got a patent, but their Government kept the minerals. This reservation was contrary to the English system, which we adopted in colonial days. It was contrary to the policy and practice of this country in the first 125 years of its history. It was wrong in the first place and I maintain an injustice was done when the minerals were reserved from the settlers.

The injustice of this arrangement is apparent to others. Let me cite three examples. The State of Texas has adopted the policy, I am told, of giving the owner of public lands purchased from that State one-half of the oil and gas royalty when production is encountered on these lands, notwithstanding the fact that the State has reserved all of the minerals. Some Provinces in Canada, if not all, have adopted a similar policy. A large corporation, owning millions of acres of land, has the policy of reserving the minerals when selling its lands, but when oil and gas is discovered on the lands sold, it transfers 2½ percent of the oil and gas produced to the owner of the surface. I submit, Mr. President, our Government should be as fair as those institutions I have cited and should give the owner of the surface 1 percent of the oil and gas produced on his own land.

Someone might conclude that Wyoming is the only Western State that might benefit from the proposed legislation. Such is not the case. The bill applies with equal force to all the public land States of the West. While the income from Wyoming's public domain is much greater than that of any other State, the amounts accruing to the United States from the public domain of each of the other Western States runs into high figures.

THE PUBLIC DOMAIN HAS DONE MUCH FOR THIS COUNTRY

As I said in the beginning, our public domain has exerted a tremendous influence of the destiny of our country.

First. Our public domain was opened to veterans of the Revolutionary War and every other war in which our country was involved, down to and including World War I.

Second. Our public domain served as a bond to hold our Union together when its fate hung in the balance before the Constitution was adopted.

Third. Our public domain was the source of public revenue for our new Republic which was wholly without means to pay the Revolutionary War debt and to carry on its functions. Sale of these lands provided the money to liquidate the debt.

Fourth. Our public domain made possible the building and expansion of our country through the Louisiana Purchase and other cessions.

Fifth. Our public domain provided the incentive for one of the greatest mass movements of people in recorded history. Those hardy immigrants from Europe came here seeking free soil, free homes, free institutions, and more important, freedom for the individual. They did their full part in the building of our country.

Sixth. Our public domain was the source of generous grants making possible the construction of canals, levees,

wagon roads, river improvements, and highways in the first half century of our history.

Seventh. Our public domain exerted a powerful influence on transportation. These lands made possible rail lines in every section of the country and the great transcontinental railroads that united the Union with the Pacific.

Eighth. The colonies were liberal with land grants for public schools. The famous Ordinance of 1787 contained this injunction:

> Religion, morality, and knowledge, being necessary to good government and the happiness of mankind, schools and the means of education shall forever be encouraged.

WESTERN STATES MUST HAVE RELIEF IF THEY ARE TO BE MORE THAN HALF STATES

The conclusion is clear that Wyoming and the other Western States cannot possibly attain the equality with the older States to which they are entitled unless they can enjoy the benefits of the resources of their own soil. The title to the public lands rests in the Federal Government to be sure, but it is not a full and unrestricted ownership. It is impressed with a trust. The Government holds title as trustee and like a guardian it should be held to a strict accountability for the administration of the trust. The Congress is charged by the Constitution with the duty to carry out the terms of the trust. The trust was created by the international agreements with France and Mexico. The claims of the new States have been asserted repeatedly down through our history. The Congress has acknowledged the claims of the new States at least partially by numerous acts granting public lands to the States.

NOW IS THE TIME FOR ACTION

The time has come when the Western States should demand equal treatment under the Constitution. Either the Mountain States are equal partners in a great union of sovereign States, or they are mere dependencies. Are we forever to remain "less-than-half" States? Were we admitted to the Union on an equal footing with the original States? Until the trust is fully executed our Western States are by no means on an equal footing with the original States or with the States in which the trust has been fully executed. By transferring the minerals to the public land States we will go a long way toward placing our Western States on an equal footing with the other States. It would give to the people of each of the Western States the chance to develop their States, and to rear and educate their children in a fashion comparable to that of the people of the older and richer States.

FAIR PLAY DEMANDS ENACTMENT OF MY BILL

Our State is small in population. Our lands are largely valuable for grazing purposes only. The people of my State have great difficulty in supporting our schools and our State university. The people of Wyoming are as anxious as the people of other States to give their children the benefit of a good education. The one great asset which gives Wyoming the golden opportunity to assume its rightful place in the society of States is the tremendous mineral resources of our soil. It is very difficult for the people of Wyoming to understand why the great storehouse of new wealth being extracted daily from our soil should be used for the benefit of irrigation projects in our sister States. When our minerals have been entirely depleted, what will we have to replace them? When the Wyoming youngsters of today become the leaders of tomorrow and learn that a cool billion dollars has been taken from the public lands of Wyoming, surely they will look back at this generation and ask: "Where were you when all this was going on? What did you do?"

THE CONCLUSION IS IRRESISTIBLE

In the treaties of purchase this country entered into a solemn covenant guaranteeing that the States carved out of the ceded area should be admitted to the Union in due course on a free and equal basis with the original States. No reasonable man can contend that our States have attained an equal status with the older States when the Federal Government remains the landlord over more than half our soil. For the Federal Government to withhold permanently from a sovereign State such a tremendous proportion of the wealth stored in its soil constitutes an outrageous invasion of the rights of that State. No reasonable man will deny that the western public-land States cannot possibly attain the same rank as the older States if they are deprived permanently of most of the resources of their own soil. It is high time for the Congress to finally "dispose" of the lands which it holds under the trust created by treaty with France. The trust was not created to go on forever.

It seems to me it is abundantly clear that the United States obtained title to all public lands by reason of the treaty with France and the treaty with Mexico. The covenants in the treaties constitute a trust and provide that the lands shall be held only temporarily by the United States Government, to be surrendered to the States or to the citizens of the States at the first opportunity.

I believe a century and a half is long enough to wait for a trustee to account for, to execute, and to terminate the trust. There is only one way left to execute the trust, and that is by transferring the property to the States. That alone is the only honorable course of action. Anything less would be a breach of faith. On the basis of simple justice and fair play I bespeak favorable consideration of my bill.

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Bartlett, one of its clerks, announced that the House had further disagreed to the amendments of the Senate to the bill (H. R. 3828) to adjust the salaries of judges of United States courts, United States attorneys, Members of Congress, and for other purposes; agreed to the further conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. CELLER, Mr. WALTER, and Mr. REED of Illinois were appointed managers on the part of the House at the further conference.

AMERICAN MARKETS BASIS OF AMERICAN ECONOMY—CONSTITUTIONALITY OF THE 1934 TRADE AGREEMENTS ACT AND EXECUTIVE AGREEMENTS UNDER GATT—AMERICAN WORKINGMEN AND SMALL INVESTORS

Mr. MALONE. Mr. President, a case is being filed today in the United States District Court for the District of Columbia to test the constitutionality of the 1934 Trade Agreements Act and the executive agreements under GATT, which is officially known as the General Agreement on Tariffs and Trade.

THE YEAR OF DECISION

This is the year of decision. The suit will break through the sound barrier laid down by the State Department in cooperation with foreign nations with low-cost production, low wages, low taxes, and other trade advantages.

CONSPIRACY TO DESTROY AMERICAN WORKINGMEN AND SMALL INVESTORS

The 1934 Trade Agreements Act could be called a conspiracy to destroy the workingmen and the small investors of the Nation; and to destroy our ability to defend ourselves by making the United States dependent upon foreign nations, across the major oceans, for the critical materials without which we cannot fight a war or live in peace.

The time is long past when we should have had such a clear-cut court test as the suit being instituted today will afford.

LICENSE TO DESTROY THE WORKINGMEN AND INVESTORS

Under the Trade Agreements Act, Congress gave the President and the State Department a license to commit daylight robbery on any labor group or industry in the United States.

WHOLESALE DESTRUCTION

GATT—General Agreement on Tariffs and Trade—is wholesale murder in the dark, committed by the State Department, without even the pretext of a congressional license. If the President and the State Department need a hunting license to liquidate American labor, American investors, and American industry and business, then their operations under GATT are plainly illegal, because no such license has been granted by or even sought from Congress.

CONSTITUTION IS TO DEFEND UNITED STATES INDUSTRIES, NOT DESTROY THEM

I contend the Constitution gives Congress no authority to license a President or the State Department to destroy American industries, investors, and labor.

This is being done under the Trade Agreements Act by importing cut-rate foreign competition to take over American jobs and markets.

Proof that this is being done is shown by the fact that the State Department time after time has come before us with proposals that industries they are scuttling and jobs they are destroying be compensated for by appropriations from the Congress.

Having remade the industrial map of America they want us to cover up their

mistakes with subsidies from the taxpayers.

The Constitution, in my opinion, gives a President and the State Department no authority to kill off American industry and labor either through the Trade Agreements Act or on their own volition, as they are doing under GATT.

CASE FILED TODAY OFFERS MAGNA CARTA TO AMERICAN FREE ENTERPRISE

This case being filed today to test the constitutionality of the Trade Agreements Act and the powers of the President under GATT may well be the Magna Carta of free enterprise in America.

It can be the most important case for the American people, for America's economy and America's security since the Blue Eagle and steel seizure cases denied to the executive branch powers beyond the Constitution.

Constitutionality of the Trade Agreements Act and executive agreements entered into through GATT is a matter of economic life or death to thousands of enterprises throughout the United States which today are being ruined by cut-rate imports.

Likewise, it is a matter of life or death to our distressed areas, which have increased from 37 to 144 in the past 2 years.

Until there shall be a decision in this case, it is my prediction that there will be a shocking increase in the number of such areas and in their economic distress, in unemployment in scores of industries, and in the numbers of business and commercial failures, already far too high.

PEOPLE OF UNITED STATES HAVE RIGHT TO KNOW IF THEY FACE ECONOMIC DEATH SENTENCE

Under the Trade Agreements Act the President sits as judge and executioner over industry and employment. He wields absolute veto power even over decisions in which the Tariff Commission has declared an American industry a victim of serious injury by tariff cuts the President and State Department have themselves inflicted.

Maybe that is constitutional, but I do not think so. If it is constitutional, then let us have the bad news from the courts, and ultimately from the Supreme Court. The people, who are sovereign in this land of ours, have a right to know the score and whether or not they face an economic death sentence.

Mr. President, if the constitutional responsibility of the legislative branch to fix duties or tariffs and to regulate foreign commerce or foreign trade can be transferred legally by a simple act of Congress, then some Congress some time could get mad enough to pass a bill to transfer to the Congress the power now vested in the President of the United States, repass the bill over the President's veto, and let the President sit on his cushion without anything to do.

Let me tell you, Mr. President, that it takes intestinal fortitude for an industry to file a suit against the Government, because such an industry knows it will get no contracts or favors from that time on.

INDUSTRY SUBJECT FOR 22 YEARS TO DICTATION BY WASHINGTON

In the past 22 years everything has been transferred to Washington, so that industry can live or die only in accordance with the decisions of Washington bureau heads.

PEOPLE ENTITLED TO KNOW

Mr. President, whatever the Court's decision in the pending case, the people are entitled to have it, and soon. They have never had it either on the controversial Trade Agreements Act or on the General Agreement on Tariffs and Trade; that organization meets in Geneva. The idea of the organization is to divide the markets of the United States with the markets of the world. That is the goal toward which it works.

If the President's power under these two destructive devices is constitutional, then let the Court, and the Court alone, tell the people.

STATE DEPARTMENT REPRESENTS INTERESTS OF NO STATE, COUNTY, OR PRECINCT

If it is contended that GATT and the Trade Agreement Act are constitutional, then the people will have to be told that the President, whoever he may be, wields the commerce power, not the elected representatives of the people.

There was obviously a reason for the Constitution of the United States prescribing that the Congress should fix duties or tariffs and regulate foreign commerce and trade, because every precinct in the United States is represented in the Senate and the House of Representatives. What precincts are represented in the State Department, as it is now constituted, or as it has been constituted for 22 years? None, Mr. President; the people have no say in the present procedure.

If the Supreme Court should hold GATT and the Trade Agreements Act constitutional then the court must tell the people that the President wields the taxing power, the tariff power, and the treatymaking power without any check or balance by the Congress.

It will have to say that the President wields supreme power over jobs, investments, industries, and business, and over the Nation's economy, national defense, and national security; and that he wields the power to destroy these jobs, investments, and economy for the benefit of foreign interests through trade treaties turning over American markets to low-wage, low-tax foreign competitors.

FOREFATHERS WROTE CONSTITUTION FOR AMERICANS, NOT FOREIGNERS

The Supreme Court will have to say that these powers may be exercised by the President with the advice and consent of the State Department and its free trade lobbyists; not with the advice and consent of Congress, as required by the Constitution.

I do not think the Supreme Court is going to say that.

The patriots and statesmen who wrote the Constitution wrote it for Americans, not foreigners.

They wrote it to preserve the independence of Americans from despotism, both foreign and domestic.

The Founding Fathers of our Government conceived and declared a separation of powers into legislative, executive, and judicial branches of our Government, and assigned to each its constitutional duties and responsibilities.

DELEGATION OF LEGISLATIVE POWERS TO PRESIDENT PROHIBITED

Under the Constitution they permitted no branch of Government to delegate its powers, as Congress has attempted to do under the Trade Agreements Act.

The New Deal Congress of 1934 sought to amend and repeal the Constitution of the United States when it passed the Trade Agreements Act.

It sought to transfer its duties and responsibilities under the Constitution to the President, who in turn shifted them to the State Department.

The State Department has used these powers, wrongfully delegated in my opinion, to remake the industrial map of America, destroy certain industries, and transfer the jobs of men and women working in these industries to foreign labor on foreign soil.

AVERAGE THE STANDARDS OF LIVING

Mr. BARRETT. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. MANSFIELD in the chair). Does the Senator from Nevada yield to the Senator from Wyoming?

Mr. MALONE. I am happy to yield for a question.

Mr. BARRETT. Is it not true that if the policy of free trade were to be carried to its logical conclusion, the inevitable result would be to bring the scale of living of the people of the United States down to the scale in effect in the foreign countries which compete with us, rather than to raise the standard of living in the foreign countries to the American standard of living?

Mr. MALONE. Mr. President, I may say to the distinguished Senator from Wyoming that common horsesense would lead to that conclusion. There are 2½ billion people in the world. The population of our country is approximately 160 million, and we have the highest standard of living in the world. Averaging our standard of living with that of other countries through the division of our markets with the other nations would result in what? It would be the same as taking the glass of water which I hold in my hand and undertaking to average the height of the water in this water glass with the height of the water in the city reservoir by pouring the glass of water into the reservoir. The effect on the height of the water in the reservoir would be infinitesimal, but my glass would be empty.

STATE DEPARTMENT LACKS KNOWLEDGE OF AMERICAN INDUSTRY OR ITS PROBLEMS

So I say, in direct answer to my distinguished friend from Wyoming, we have the situation of having tariffs—or duties as the Constitution calls them—regulated by the State Department, which has no knowledge of industry, and cares to acquire none. It is done to provide some fancied advantage to Europe, Asia, or Africa. One of the reasons is, as the State Department says, trading for friendship. If such friendships have been made, they are not evident. When the tariff—or when the duty, as the Constitution calls it—is

lowered 2 percent or 10 percent, investments in the United States must be written down, and wages must come down, in order to compete with foreign countries. It is either that or go out of business.

Mr. BARRETT. Mr. President, I should like to ask the Senator a further question, if I may.

Mr. MALONE. I am happy to yield for that purpose.

Mr. BARRETT. In the opinion of the Senator, is any industry in this country, save and except possibly the automobile industry, which is practically a monopoly so far as world production is concerned, able to compete with foreign production, when plants in foreign lands are of a standard comparable to ours and when the wages paid in the foreign countries are in some cases only one-third of the wages paid in this country, and, in the case of Japan, one-tenth?

Mr. MALONE. Mr. President, again I say to my distinguished friend from Wyoming that common horsesense, of which there is a great scarcity in Washington, and of which there has been a great scarcity for 22 years, can lead to only one conclusion, and that is that we cannot compete without a lower American standard of living. I do not agree that the automobile industry is immune from such competition. Mr. Ford, who is a leading freetrader, has 26 assembly and manufacturing plants located in other countries, and even now he is importing to New York from abroad a Ford car which is to sell for $1,300.

FOREIGN COMPETITION AFFECTS LABOR IN AMERICAN AUTO INDUSTRY

I say that laborers in the automobile manufacturing industry in this country can be driven out of their jobs. All that is necessary to have effective competition is to have in a foreign country the same kind of machinery which we have in this country, and the same know-how. They do have the same know-how in foreign countries, because top mechanics and other skilled personnel are sent from this country to supervise low-cost labor in foreign countries. All that is needed is the labor, the know-how, and the machinery, and automobiles can be manufactured abroad just as cheaply as in the United States—even more cheaply. No one is going to say that a Scotchman, an Englishman, or a Japanese cannot do as much work as can an American. Japanese work for 11 to 19 cents an hour, and they can do more work than an American can, because a Japanese will work longer hours. It would be impossible to compete with that kind of labor.

UNITED STATES HAS EXPORTED MACHINERY AND KNOW-HOW TO FOREIGN COUNTRIES THROUGHOUT WORLD

I should like to say to the senior Senator from Wyoming that the senior Senator from Nevada has been in every nation in the world except Russia and Iron Curtain countries. He has seen plants in operation in those countries. He has been in the engineering business 30 years. He knows something about industrial engineering. I hear much loose talk to the effect that with our know-how and with our machinery we can outproduce any other nation. Our machinery and our know-how are available to every nation on earth. The last plant sent to a foreigin country is the best plant in existence, no matter in which country it may be used, because it is the latest one manufactured.

AMERICAN TAXPAYERS PAYING FOR BUILDUP OF FOREIGN COMPETITION

As a matter of fact, the American taxpayers pay for it all. Who are sent to such countries if, for example, engineers, of which I happen to be one, are needed there? The very best engineers in the particular business specified are sent to those countries, as are the best technicians and machinists. It takes about 5 or 10 percent of supervisory labor to oversee low-cost labor, and that can be done in any foreign country. Since labor and taxes in foreign countries are lower than those prevailing in this country, the manufactured product can be sold for less than a similar product manufactured in this country.

Mr. BARRETT. Mr. President, will the Senator yield further for a question?

Mr. MALONE. I yield.

Mr. BARRETT. Is it not a fact that since World War II this country has expended a large sum of money, running into many billions of dollars, for the purpose of rehabilitating industrial plants all over Europe, including England, and elsewhere in the world, and that now we find ourselves learning that those plants are just as up to date as are any plants in this country? Accordingly, with the low wage scales which prevail elsewhere throughout the world, we find ourselves in such a position that it is not possible for us to compete with foreign production. As a consequence, thousands upon thousands of our skilled mechanics are out of work at the present time. Is that not a fact?

Mr. MALONE. Mr. President, I would say to my distinguished friend from Wyoming that economically this country is treading water. We are producing and sending to Europe much obsolete so-called war equipment which is put in warehouses there. It will never come out of the warehouses, unless the Russians take it out, because they will control Europe within a week after the war starts.

BILLIONS SENT TO EUROPE TO FINANCE EUROPE'S PAYMENT FOR GOODS SHE GETS FROM US

But we are afraid to cut down that kind of production, for fear of further unemployment. Then each year, we send from $5 billion to $10 billion across the pond, to enable foreign countries to purchase our goods. We are only treading water, Mr. President.

So I say to the distinguished Senator from Wyoming just what I said on the floor of the Senate 8 years ago, when I was trying to explain this matter, at the time when the Marshall plan was before the Congress. The advocates of that plan said at that time that the only thing necessary was to enable foreign countries to build more plants and to increase their productive capacity, and then everyone would raise their standard of living.

I was then a freshman in the Senate, but I was frank to state that I could not understand any justification for that proposal. It appalled me to see such a development. When I spoke at that time before the Senate, I tried to say that there is never any trouble in getting funds with which to build a plant anywhere on earth, if there is a market for the product. Private funds can be obtained at any time for that purpose, and Government funds are not needed. The only reason why private funds cannot be obtained now is that there is no market for the commodities produced by such plants. If the productive capacity of foreign nations is increased beyond their consumptive ability, it will be necessary for them to sell their production elsewhere, which means either to the people of the United States or to the people of the countries behind the Iron Curtain and to Russia. That is why several years ago I placed in the CONGRESSIONAL RECORD 96 trade treaties with Russia. They show that everyone of the Western European nations is trading with Russia and the Iron Curtain countries, and is sending them everything they need in order to prepare to fight us; and those materials include ball bearings, tool steel, trucks, and similar items. Of course, under that arrangement, such countries overbuild, in respect to their own markets; and now they say to us, "We will increase our shipments to your enemies, if you do not buy from us."

FOREIGN NATIONS BLACKMAIL AMERICA TO TAKE THEIR SURPLUS OFF THEIR HANDS

At the time I said we would finally be subject to blackmail, and that is what it is. Little Mrs. Luce, one of the best looking ambassadors we have, when appearing before one of our committees, which had under consideration the so-called reciprocal trade law and its extension, testified in favor of free trade, which is what the so-called reciprocal trade really is.

Of course, Mr. President, the words "reciprocal trade" do not occur in the act; that term was invented by the London bankers, in an attempt to sell free trade to the United States. At the time when Mrs. Luce testified before the congressional committee, she said, "Mr. Chairman, the Italians will not understand if you do not extend this act, and thus permit them to sell in the United States the goods produced in Italy at plants established there with funds coming from the United States taxpayers."

Mr. President, that is almost precisely what I said 8 years before that. So what she said then was no news; it was just 8 years late. Naturally, selling the goods here would destroy our own producers.

Mr. BARRETT. Mr. President, from the remarks of the Senator from Nevada, I take it he believes that the so-called Reciprocal Trade Agreements Act was a good piece of legislation from the standpoint of the London bankers.

UNCLE SAM VICTIM IN INTERNATIONAL POKER GAME

Mr. MALONE. Thirty or thirty-five nations are willing to participate in a poker game, but there will be no game unless the sucker they have in mind agrees to play. The sucker is the United States. In this case, the 30 or 35 nations are the ones who are willing to sit in the

game, provided the sucker with the money will sit in, too. The name of the game is, in this case, GATT—the General Agreement on Trades and Tariffs—sitting at Geneva, Switzerland, a country which never was the friend of anyone when the chips were down. So there those nations are sitting in the big poker game.

GATT LIKENED TO GAMING AT CHEYENNE OR RENO

If we do not enter the game there will be no game. In this case, if we do not go into the game there will be no game, because today we have the only market in the world where even 10 cents' worth of chewing gum can be sold for money unless we have previously given that nation the money to buy the goods.

HOW BRITAIN DUMPED LEAD AND ZINC ON UNITED STATES THAT AMERICAN TAXPAYERS HAD ALREADY PAID FOR

For instance, we provided Britain with funds with which to purchase a stockpile of lead and zinc, and Britain bought it. But in 1953, Britain began releasing it in the United States—and at what price? At 6 cents under the market price for zinc. At 16 cents a pound, miners could be paid $15 or $18 a day, and the mine operator could just about come out even, or perhaps make a little money, in order to keep going. But at 10 cents a pound, the result was to turn 98 percent of the ore into country rock; and, Mr. President, the only difference between country rock and ore is the ability to mine it at a profit. So those mines shut down. Today 90 percent of the zinc and lead miners in the United States are walking the streets, unemployed.

At this time I shall not discuss the matter further; but I could very well do so, because what I am saying applies equally to many other industries and many other areas of the United States.

ACT USED TO REMAKE INDUSTRIAL MAP OF AMERICA

Since 1934 successive administrations have used the Trade Agreements Act and GATT to remake the industrial map of America and bring ruin to scores of fine American communities and thousands of American manufacturing, mining, and business enterprises.

Mills, mines, and factories have been closed and industries crippled throughout the United States, through the administration of this act, and their work orders have been transferred to foreign mills, mines, and factories.

Tens of thousand of jobs in the United States have been destroyed to make jobs for low-wage foreign labor.

Investments have been wiped out or diminished.

In that connection, Mr. President, let me refer to the Studebaker Automobile Co. Not long ago, as we remember, the great Studebaker organization headed by Mr. Paul Hoffman requested its workers in Indiana to accept a reduction of wages, and then almost immediately it was reported it planned to build a Studebaker plant in Japan, where skilled labor can be obtained at rates of 15 to 19 cents an hour.

We must bear in mind that in Japan skilled labor may be obtained for as little as 19 cents an hour, whereas in the United States the rate is anywhere from $2 to $2.25 an hour. Common horsesense is something that is becoming scarcer and scarcer in the city of Washington, D. C., Mr. President, I am sorry to say, but we should know better than to enter such a contract. A factory which is built today in Japan can be built exactly like one in the United States; in fact, it will be better, because it will have been the last one. The only counterbalancing item as between 19-cents-an-hour labor in Japan and $2 or $2.25 labor in the United States is low-cost water transportation, which is so cheap that almost anyone can figure the transportation cost.

FREE TRADE POLICY MAKES UNITED STATES DEPENDENT ON DISTANT FOREIGN LANDS FOR CRITICAL AND STRATEGIC MATERIALS

Mr. President, American interests and American security have been subordinated to foreign interests and foreign prosperity. For many critical materials without which we could not fight a war, and without which we cannot live in peace, we have been made dependent upon foreign countries, separated from us by major oceans. In peacetime, we are under blackmail. In wartime we could be defeated; and in the meantime the workingmen and small investors in the United States would be utterly destroyed.

For the purpose of this discussion, Mr. President, a small investor is one who is not large enough to be able to commence operations in a foreign country, and there take advantage of the very cheap labor, and send their production to the United States, to be sold on United States markets, under the free-trade monstrosity, the extension of which we are about to vote on, for the bill is now before the Senate Finance Committee.

COMPLAINT READ IN SUIT CHALLENGING CONSTITUTIONALITY OF TRADE ACT AND GATT

A suit for declaratory judgment was filed in the United States District Court for the District of Columbia by the Morgantown Glassware Guild, Inc., of Morgantown, W. Va., plaintiff, versus George M. Humphrey, Secretary of the Treasury of the United States, Treasury Department, Washington, D. C., defendant. I read the complaint:

COMPLAINT FOR DECLARATORY JUDGMENT

1. Plaintiff is a West Virginia corporation with principal offices in the State of West Virginia, at the city of Morgantown. Defendant is the executive officer of the Federal Government charged by law with the assessment of duties on imported merchandise in accordance with the appropriate acts of Congress and the Constitution of the United States. The amount in controversy exceeds, exclusive of interest and costs, the sum of $3,000. This court has jurisdiction of this matter by reason of the Declaratory Judgment Act (22 U. S. C. A. 2201).

2. Plaintiff is a domestic manufacturer of handblown and pressed table, stem and ornamental glassware and tumblers. Its factory was started at the close of the last century. In 1949 it had over 300 employees and shipped a million and a quarter dollars' worth of glassware annually. Today it has only 150 employees, and its shipments have fallen to approximately $750,000 per year. During the same period the industry average hourly wage has increased 43 percent, to an industry hourly average of $1.72 per hour, while European and Japanese glassworkers' wages are anywhere from one-eighth to one-third of wages paid to United States workers.

3. Between 1945 and 1950 handmade glassware was not being imported in any substantial volume. Beginning in 1950 imports increased very rapidly, and as a result plaintiff suffered the injury set forth hereinabove.

4. Plaintiff alleges that the injury it has suffered is directly caused by and is the direct result of the unlawful assessment of duties by defendant on imported handblown and pressed glassware. The proper rate of duty on handblown ware is 60 percent ad valorem and the proper rate on pressed ware is 50 percent ad valorem, as established by paragraphs 218 (f) and (g) of the Tariff Act of 1930 (19 U. S. C. A. 1001).

5. Defendant is charged under 19 United States Code Annotated, section 1502, with the duty of assessing tariff duties in accordance with applicable law. At present defendant is assessing duties on handblown and pressed glassware on the basis of certain concessions in the rates made by the President in the purported exercise of authority delegated to him by the Trade Agreements Act of 1934, as amended (48 Stat. 943, 57 Stat. 125, 59 Stat. 410, 63 Stat. 698), the Trade Agreements Extension Act of 1951 (65 Stat. 72), and the Trade Agreements Extension Act of 1953 (67 Stat. 472, 68 Stat. 360).

6. Plaintiff alleges that defendant in assessing duties based on said concessions has acted and is acting ultra vires his power and authority, and that said reduced rates are null and void and of no effect, and deprive plaintiff of a valuable property right without just compensation and without due process of law, since the statutes under which the President assumed to reduce the rates of duty established in the Tariff Act of 1930 are unlawful and in violation of article 1, sections 1, 7, and 8 and article 2, section 2 of the Federal Constitution in that they attempt to delegate to the President the legislative duty of Congress to regulate foreign commerce, to delegate to the President the supreme taxing power of Congress, and to delegate to the President the treatymaking powers of Congress, all of which powers are beyond the constitutional authority of the President to exercise and beyond the constitutional power of Congress to delegate.

7. Plaintiff further alleges that defendant is assessing the said duties on the basis of the reduced rates on handblown and pressed glassware contained in a certain multilateral agreement known as the General Agreement on Tariffs and Trade (Geneva Agreement), 1947, placed in effect provisionally as of January 1, 1948, by proclamation of the President dated December 16, 1947, and that said rates are null and void and of no effect in that they are less than the duties duly established by act of Congress for such items in paragraphs 218 (f) and (g) of the Tariff Act of 1930 (19 U. S. C. A. 1001). Said reduced rates deprive plaintiff of his statutory protection against destructive foreign competition, and have resulted in irreparable injury to his business as set forth hereinabove, and thus deprive plaintiff of a valuable property right without just compensation and without due process of law. Said General Agreement on Tariffs and Trade, popularly known as GATT, including all reduced tariff rates, and limitations on the power of Congress to impose excises and quotas or impose tariffs on an item on the free list or raise reduced rates contained therein, is illegal, unlawful, and of no effect, as it is, in entirety, violative of the supreme taxing authority of Congress, the treatymaking powers of Congress, and the foreign-commerce regulating authority of Congress. Plaintiff further alleges it is an unconstitutional and unlawful attempt by the President to exercise power and authority not delegated to him in the Federal Constitution for the purpose of limiting certain powers delegated exclusively to Congress and transferring said

powers to an international administrative agency neither recognized by the Congress nor approved by the people's elected representatives. Plaintiff further alleges the provisions of GATT were specifically rejected in 1950 by Congress when it disapproved the International Trade Organization (Habana Agreement), 1947. Plaintiff further avers and states that as a result all efforts by defendant to give effect to the handmade glassware rates contained in GATT are unlawful and unconstitutional.

Wherefore, plaintiff demands that the Court adjudge:

1. That the actions of defendant complained of hereinabove are unlawful and in violation of the Tariff Act of 1930, and

2. That said acts of defendant as hereinabove alleged are beyond his statutory and/or constitutional authority and power.

ROY ST. LEWIS,
CARL L. SHIPLEY,
Washington, D. C.
ROBERT T. DONLEY,
Morgantown, W. Va.,
Attorneys for Plaintiffs.

PRESIDENT'S LETTER ASKING FOR TRADE ACT EXTENSION RECALLED

Mr. President, we had the spectacle of the President of the United States writing a letter to the minority leader of the House, JOE MARTIN, saying, in effect, "Give me the right to destroy your industries and I will not do it."

The reason private investors go into various businesses is that there is a certain principle established by law, which provides that a bill affecting, or reducing tariff duties must be introduced in the House of Representatives, considered by congressional committees, favorably reported after full hearings, and then considered by the Senate and the House after full debate.

What is the principle established by law? I shall read from the Tariff Act of 1930, Public Law 361, 71st Congress, 2d session, to provide revenue, to regulate commerce with foreign countries, to encourage the industries of the United States, to protect American labor, and for other purposes, approved by the President of the United States on June 17, 1930. I shall read from section 336, under the title "Equalization of Costs of Production."

Except for the unconsitutional monstrosity called reciprocal trade, the purpose of which is to sell free trade to the American people, this is the law. The suit to which I have referred alleges that this is a law, because the delegation of legislative power by the legislative branch is unlawful and unconstitutional.

TARIFF ACT OF 1930 AGAIN THE LAW WHEN RECIPROCAL TRADE DECLARED UNCONSTITUTIONAL

If the Trade Agreements Act is declared unconstitutional, section 336 of the Tariff Act of 1930 becomes the law and the principle upon which duties and tariffs will be fixed for the protection of American industry.

Section 336, in effect, provides that American workingmen and American investors shall have equal access to their own markets. That is all it says. The senior Senator from Nevada does not believe that is too much to ask. It provides that they shall have a fair and competitive chance in their own market, with fair and reasonable competition. That is what it says.

SECTION 336 OF TARIFF ACT OF 1930 QUOTED

Section 336 reads:

EQUALIZATION OF COSTS OF PRODUCTION

(a) Change of classification or duties. In order to put into force and effect the policy of Congress by this act intended, the Commission (1) upon request of the President, or (2) upon resolution of either or both Houses of Congress, or (3) upon its own motion, or (4) when in the judgment of the Commission there is good and sufficient reason therefor, upon application of any interested party, shall investigate the differences in the cost of production of any domesitc article and of any like or similar foreign article.

Mr. President, that lays down the principle upon which the act is based and which was sought to be repealed by the unconstitutional monstrosity called, by the London bankers, reciprocal trade.

I read further from section 336 of the Tariff Act of 1930:

In the course of the investigation the Commission shall hold hearings and give reasonable public notice thereof, and shall afford reasonable opportunity for parties interested to be present, to produce evidence, and to be heard at such hearings.

TARIFF ACT OF 1930 CAVE FAIR HEARINGS TO PRODUCERS; GATT SESSIONS AT GENEVA SECRET

Mr. President, does that sound like secret meetings of the State Department at Geneva? Not very much. That is the kind of meetings that are held in Geneva.

I read further:

The Commission is authorized to adopt such reasonable procedure and rules and regulations as it deems necessary to execute its functions under this section.

It does not give authorization to change the principle. All the Commission can do is to lay down rules and regulations under which it will hold its hearings to determine what the difference is in the cost of production between this country and the chief competitive nation. That is what the law provides.

FLEXIBLE TARIFF OF 1930 TOOK FOREIGN PRODUCTION COSTS INTO ACCOUNT

I read further:

The Commission shall report to the President the results of the investigation and its findings with respect to such differences in costs of production. If the Commission finds it shown by the investigation that the duties expressly fixed by statute do not equalize the differences in the costs of production of the domestic article and the like or similar foreign article when produced in the principal competing country, the Commission shall specify in its report such increases or decreases in rates of duty expressly fixed by statute (including any necessary change in classification) as it finds shown by the investigation to be necessary to equalize such differences.

That is what that section provides. It does not give anyone the discretion to trade one industry for another, or to determine a rearrangement of the industrial map of the United States of America. It lays down the principle under which the Commission is to operate, and the Commission is authorized to make rules and regulations governing its procedure in arriving at a determination on that basis and on that principle. That is what it says.

The 1934 Trade Agreements Act embraced a principle as different from that in the 1930 act as night is from day.

TRADE AGREEMENTS ACT OF 1934 PUTS EUROPE-ASIA FIRST

The State Department in every negotiation under the 1934 Trade Agreements Act, has, in my opinion, put Europe first, Asia first, and every other foreign area first at the bounteous trade table which we supply, leaving to American free enterprise, American workingmen, and small investors, only second helpings, scraps, and leftovers.

It has made the United States dependent at this moment on distant and remote offshore areas for many of the critical and strategic materials without which we cannot fight a war or build for peace. This is, of course, as the Harry Dexter Whites, the Hisses, and their Red collaborators planned it.

HARRY DEXTER WHITE MEMORANDUM ASKING $10 BILLION LOAN TO RUSSIA RECALLED

Harry Dexter White, when he was Assistant Secretary of the Treasury, sent a memorandum to the then Secretary of the Treasury, Mr. Morgenthau, in which he stated we were about to run out of many of the critical materials, including petroleum, manganese, tungsten, and 7 or 8 other principal materials which we need in order to prepare for war or to fight a war, and that, therefore, we would have to save our domestic materials and lend $10 billion to whom? To whom did Harry Dexter White recommend we lend the $10 billion with which to furnish these materials to us? He recommended that we lend $10 billion to Russia for that purpose.

Mr. Morgenthau took the memorandum and prepared a letter to the President of the United States, which contained exactly the same verbiage. It stated that we were about to run out of these materials, and therefore would have to get our materials from some other nation. From where, Mr. President? From Russia, of course. We must lend Russia $10 billion.

Then what happened? The President of the United States announced one day that he was not in favor of the buy-American clause, and that the policy of the United States of America was to save its critical materials and to import such materials from foreign countries. That is what he said. That officially continued the principle of a have-not nation.

WHITES AND HISSES PROPOSED APPROACHES TO DESTROY THE NATION

Of course, 99.9 percent of our people have no means of determining whether we have these materials or whether they would be available in the Western Hemisphere in time of war.

It was the Hisses and the Whites who proposed the two approaches for the destruction of our Nation.

The first was the political approach, beginning with the recognition of Russia in 1933, without any safeguards whatever. The other was the economic approach by means of the 1934 Trade Agreements Act. The intention of both was to make our Nation dependent upon

foreign nations for the critical and strategic materials without which we cannot fight a war or live in peace. Thus, we would be made the subject of blackmail in peacetime and of destruction in time of war, to say nothing of the utter destruction of the workingmen of the Nation and the small investors who are the ones who are unable to build plants in foreign countries. In those countries, of course, it is possible to obtain cheap labor, which is paid from 40 cents to $1.50 or $3 a day, with our taxpayers buying the machinery for such plants in many cases.

The State Department has sacrificed American markets to foreign manipulators, American wealth to foreign competition, and American jobs to foreign labor working for a sweatshop, peon, or coolie wage.

Yet in the 21 years since the Trade Agreements Act of 1934 was approved by an ambitious President, no suffering American workingman or business enterprise, until today, has had the courage to go into court and challenge, formally, the constitutionality of this foreign-sponsored legislation to transfer their jobs to foreign soil and destroy their investments.

UNCONSTITUTIONALITY OF ACT CHALLENGED ON SPECIFIC GROUNDS

The plaintiff in the case filed today is attacking the constitutionality of the Trade Agreements Act and GATT on the following grounds:

First. That the act has deprived him of a valuable property right without just compensation and without due process of law.

Second. That administrative actions under the act are in violation of article I, sections 1, 7, and 8, and article II, section 2, of the Federal Constitution, and that the act itself is void.

Third. That the act unlawfully attempts to delegate to the President the legislative duty of Congress to regulate commerce.

Fourth. That it attempts to delegate also to the President the supreme taxing power of Congress.

Fifth. That it attempts to delegate to the President the treatymaking powers of Congress without the requirement of Senate ratification by a two-thirds vote of Members present.

The contention of plaintiff, in brief, is that the act is unconstitutional.

DETERMINATION OF VITAL ISSUE NOW BEFORE COURTS

Under article III, section 1, the judicial power of the United States is vested in the Federal courts, and the question is now before the court for a judicial determination.

At long last an American enterprise, fighting desperately for survival and for the employed who have helped establish the business, has had the fortitude and courage to lodge its challenge in the courts, relying on the supreme law of the land, the Constitution, for the protection of its corporate life, its industrial liberty, and its property.

It is for the court, now, to give its answer.

That answer can liberate American industry from the ever-present menace of being wiped out by foreign competition which has been given special privilege by the State Department to invade our markets.

Mr. President, constitutionality of the Trade Agreements Act is now a matter for judges to determine.

CONSTITUTIONAL RESPONSIBILITY OF CONGRESS ABDICATED WHEN ACT ADOPTED

I do know that when Congress passed the Trade Agreements Act of 1934 and the extension acts which have followed, Congress abdicated to the State Department its constitutional responsibility to lay and collect duties, regulate the foreign commerce, and raise revenues from foreign commerce.

I know also that administration of the act has inflicted irreparable damage on American manufacturing and processing industries, mining, extraction and craft industries, on working men and women, and on investors in these industries and has crippled the national defense.

Technically, of course, the delegation of power—constitutional or unconstitutional as it may be—is to the President.

STATE DEPARTMENT GIVEN LIFE OR DEATH POWER OVER EVERY AMERICAN INDUSTRY

Three successive Presidents, to all purposes and effects, have given this authority to the State Department.

The State Department sifts the power down to second echelon and subordinate employees elected by nobody, responsible to no congressional district, community, precinct, or voter, untrained in domestic industry or business.

These subordinates wield tremendous power—the power of life and death over jobs, industries, and whole communities and areas—and they are answerable at the polls to nobody.

They are jealous of this tremendous power.

We are told, time after time, that we must not nudge even a fraction of this power. We must not touch it.

We must not put even so much as a little finger in the gaping loophole in the escape clause, which was intended to give a wee little relief, a little protection, to an industry which is being destroyed by ruinous foreign competition these State Department authorities have encouraged and invited.

In the other branch of Congress a few days ago there was a proposal to close that loophole, to return to the Tariff Commission, an agency of Congress, authority to restore previous tariffs upon a finding that an industry was being crippled or destroyed by import floods from low-wage, low-tax foreign countries, countries to which we have given $50 billion since the war.

NO ESCAPE UNDER PRESENT ESCAPE CLAUSE

In other words, proponents of this proposal wanted to put escape back in the escape clause.

One could hear screams of protest at this proposal all the way from Foggy Bottom.

Unfettered discretion in such mattters on the part of the administration was demanded, and unfettered discretion was granted to the President.

Mr. President, the escape clause was written into the act several years ago to delude the public into believing that an industry could escape from State Department deals flooding the country with foreign imports.

The injured industry could apply to the Tariff Commission, an agency of Congress, for escape from the deadly concessions granted foreign competitors by the State Department.

The Tariff Commission was supposed to weigh carefully these applications, and determine injury or threat of injury, and it has done so.

THE JOKER IN THE ESCAPE CLAUSE

But there was a joker in the so-called escape clause which removed the escape.

Decisions of the Tariff Commission that an industry had been or was being injured gave no iota of relief to the injured industry.

Instead they were referred to the President.

The President, with no self-acquired knowledge of the situation, could reject the Tariff Commission's findings or approve them, his was the sole and arbitrary authority to use his own unfettered discretion in rendering an administrative decision.

Fifty-nine applications have been presented to the Tariff Commission for relief under the escape-clause section. Some are still pending.

In 15 of these cases the Tariff Commission found injury or threat of injury to the domestic industry. It referred its findings to the President.

The President has taken action to grant relief in only 5 of the 15 of these cases. He has given no relief in 10 of them.

The escape clause thus turned out to be only a blind alley for 2 out of 3 of the injured industries and there was no escape even if the State Department had loaned them a seeing-eye dog, which of course it did not.

HOW STATE DEPARTMENT BLOCKS RELIEF TO STRICKEN INDUSTRIES

The State Department gives things away only to foreign countries, or to Americans investing in foreign countries.

The Tariff Commission recommended, for example, relief for the lead and zinc industry, which is being destroyed by imports from foreign countries, its production being cut in half in the past 2 years.

The findings were referred to the President. I am informed that the departments were consulted, and that all but one of the departments consulted concurred in the Tariff Commission findings.

One did not.

It is my understanding that the one that did not was the State Department.

The lead and zinc industry of the United States was turned down and relief was not granted.

GLASS INDUSTRY DENIED PROTECTION AGAINST COMMUNIST COMPETITORS

Another industry that sought relief through an escape-clause proceeding was the hand-blown glassware industry, threatened by destruction by imports of glassware, including glassware from Communist Czechoslovakia and Communist Hungary.

At a future date I expect to list the quantities of hand-blown glassware be-

ing imported into the United States from these Communist countries.

The Tariff Commission divided 3 to 3 in recommending relief for the domestic glassware industry. Its findings went to the President. The glassware industry was turned down.

No relief was given to the American glass industry, and Communist-made and manufactured glass continues to come into the United States, putting American workers out of jobs and creating distressed areas and communities, dependent in part on glass manufacturers for their economy.

ONLY ESCAPE NOW LEFT TO INDUSTRY IS THROUGH THE COURTS

The only escape for the glass industry from this foreign, including Communist competition, is in the courts, and it is to the courts that one of the historic components of this industry has now applied.

The Morgantown Glassware Guild, Inc., of Morgantown, W. Va., today, I am informed, is filing a complaint in the United States District Court for the District of Columbia, demanding a declaratory judgment that the duties now being assessed on imports of hand-blown and pressed glassware are unlawful and unconstitutional.

Under the Tariff Act of 1930, the duty on hand-blown ware was 60 percent ad valorem, and that on pressed ware, 50 percent.

The State Department, and the State Department alone, acting for the President under the Trade Agreements Act, cut the duty on blown glassware from 60 to 12½ and 22½ percent, and on pressed glassware from 50 to 25 percent.

COMMUNIST GLASSMAKERS REAP BENEFITS OF TRADE DEALS WHILE UNITED STATES GLASSMAKERS HURT

Mr. President, Communist Hungary's glassmakers, and Communist Czechoslovakia's glassmakers reap the blessings of the State Department while American glassmakers suffer.

The plaintiff in the case being brought before the Federal courts today began its industry more than half a century ago.

In 1949, I am informed, it had more than 300 employees and shipped and sold a million and a quarter dollars worth of glassware annually.

Today the number of employees have been cut to less than half, and sales have fallen half a million dollars.

In other words, this American enterprise has lost, percentagewise, about what Communist and other glass factories in foreign countries have gained in tariff concessions from the State Department.

ONLY UNITED STATES LIVES UP TO TRADE AGREEMENTS

Mr. President, these are not real trade agreements; they are agreements to lower tariffs. No foreign country as yet has lived up to its agreement, simply because 10 seconds after the ink has dried on such an agreement the foreign country can establish, and almost always does establish, a new price for its currency or for its particular product; or else it establishes exchange permits or import permits, which entirely nullify the entire arrangement. The foreign country makes no attempt to live up to its agreement. It does not even pretend that it is living up to it.

The United States is the only country which lives up to its agreements. The situation is exactly as I described it a while ago. We are the only country which has markets to divide; and when we are not "in the pot," there is no game. When we are in the game, we furnish the only money and the only markets in the game.

How can we try to promote trade with another manufacturing or processing area, such as Europe? Anything Europe imports from the United States is that much less that Europe produces. Anything the United States imports from Europe is that much less that we produce.

AMERICAN TAXPAYERS PAYING FOR NEW FOREIGN COMPETITION

In many instances, taxpayers of the United States are paying for the establishment of the competing industries in foreign countries; and our machinery, our superintendents, and our foremen are going into the foreign plants and are directing the low-wage labor there. I have visited many of the production plants in foreign countries. Of the foremen and superintendents from 5 to 10 percent are Americans who are directing the low-cost labor, which is very efficient though working for low wages. As I said before, common horsesense in Washington in the last two decades has dwindled to a startlingly low ebb.

GLASS INDUSTRY BLAMES CUT-RATE DUTIES FOR ITS DISTRESS

The State Department, to all effects, has turned over the jobs of American glass craftsmen to low-paid foreign glassworkers.

The plaintiff in the case filed today charges that the injury it has suffered is caused directly by the unlawful assessment of cut-rate duties on imported handblown and pressed glassware under the Trade Agreements Act.

It alleges that the present duties are based on illegal concessions made under this act, and that in assessing these cut-rate duties the Government is acting without authority and outside of the Constitution.

The Government in other words, says the plaintiff, is depriving him of his constitutional and property rights.

OTHER INDUSTRIES THROUGHOUT NATION SIMILARLY AFFECTED

Mr. President, I submit that there are hundreds, if not thousands, of industries throughout the United States which today are being deprived of their rights under the Constitution by reason of the Trade Agreements Act of 1934 and its extensions.

I submit that these industries, deprived of all protection, and deprived of property and income by a capricious State Department, have a grievance which should properly be adjudicated in the courts.

I submit that the craftsmen and other workers who have been thrown out of work by the free-trade machinations of the State Department have a grievance. The Constitution of the United States is their Constitution. Its preamble reads:

We the people of the United States, in order to form a more perfect Union, establish justice, insure domestic tranquillity, provide for the common defense, promote the general welfare, and secure the blessings of liberty to ourselves and our posterity, do ordain and establish this Constitution for the United States of America.

That is what the preamble of the Constitution says. It does not say that the legislative branch, Congress, can transfer its constitutional responsibilities to the executive department, to be discharged by Executive action and order. The Constitution prescribes how it may be amended; but in this instance that process has never been attempted.

The Trade Agreements Act has done none of the things expressed in the preamble to the Constitution.

The Trade Agreements Act has created injustices to a large segment of our industry and economy.

It has disrupted domestic tranquillity.

It has damaged our defense capabilities.

It has injured the general welfare.

It has deprived countless working men and women of the blessings of liberty.

TRADE AGREEMENTS ACT, GATT PUTS CHAINS ON ECONOMY AND WORKINGMAN

The Trade Agreements Act and GATT have put foreign chains on our economy, on industry and labor, with the idea of dragging them down to the status of our lowest-wage foreign competitor. I hear mouthings to the effect that we are going to raise the standard of living throughout the world by dividing the wealth of the United States, and the markets upon which that wealth is based. It is proposed to divide the holdings and the wealth of 160 million people with 2½ billion people. Where is our common horsesense?

COURTS COULD STRIKE CHAINS FROM AMERICAN LABOR AND INDUSTRY BY DECLARING TRADE ACT UNCONSTITUTIONAL

Success in the litigation instituted today by the Morgantown Glassware Guild would free it and all American industry from these foreign chains clamped on them by the State Department. It would rid the Nation of State Department control over our foreign commerce and domestic welfare. And, above all, it would restore America to the Constitution.

Mr. President, the constitutionality of the Trade Agreements Act of 1934 has never previously been tested in the United States Supreme Court. There must be a Supreme Court determination if the free-enterprise system in America is to survive.

CONSTITUTION WRITTEN FOR ALL TO UNDERSTAND

Mr. President, I can read the Constitution of the United States. That is one document, together with the Bill of Rights, as to which Congress did not give some joker in a Government bureau the right to prepare a set of rules and regulations under which it was to be administered.

The Constitution was written in language which any citizen of the United States can understand, and was written that way so that the citizens of pioneer America and their descendants could and would understand it and live by it.

Many of the delegates to the Constitutional Convention of 1787, including

Gen. George Washington, who presided, were not lawyers, but they knew what they were doing, and why they were doing what they did. They had suffered by having someone in an executive capacity push them about for years on end, and they were tired of it. So they wanted to live by a constitution and a bill of rights.

CONSTITUTION CONFERRED ALL LEGISLATIVE POWERS ON CONGRESS; NONE ON EXECUTIVE

Article I, section 1, of the Constitution states:

All legislative powers herein granted shall be vested in a Congress of the United States, which shall consist of a Senate and House of Representatives.

Section 8 of the same article provides that the Congress shall have power to lay and collect duties, imposts, and excises—meaning tariffs or import fees—and to "regulate commerce"—trade—"with foreign nations."

Section 8 further says that the Congress shall have power to make all laws which shall be necessary and proper for carrying into execution the powers which had been enumerated.

Section 8 does not provide that an appointive administrative officer in an executive department shall, in order perhaps to buy the loyalty of another nation, have the authority to give it an industry out of the wealth of the United States of America. To show that the State Department had in mind doing just that, I wish to point out that several times the State Department has suggested that when by such action a domestic industry is destroyed and unemployment is created in the United States, the Congress of the United States should appropriate money to compensate investors and provide unemployment insurance for the unemployed, and also pay transportation to enable workers to migrate to other areas where they might take other jobs. If there could be a concept lower than that, Mr. President, the senior Senator from Nevada cannot possibly imagine what it would be.

I know of no clearer language than what I have quoted from the Constitution that could have been used to show that our constitutional fathers meant it when they said that all legislative powers to lay and collect duties and to regulate foreign commerce were vested in the Congress.

EXECUTIVE BRANCH NOW LAYS TARIFFS, OR DUTIES, IN DEROGATION OF THE CONSTITUTION

The Constitution did not give to the executive branch, or to the State Department, the power, or any power, to lay duties, or tariffs, but that is precisely what they have been doing ever since the Trade Agreements Act was approved on June 12, 1934.

It did not give to the executive branch or to the State Department power, any power, to regulate commerce with foreign nations, but the Department has been doing that, too, since the Trade Agreements Act was enacted.

It has been doing those things under the assumed authority of the Trade Agreements Act and outside of that assumed authority, as I shall presently show.

It has taken over legislative functions which the Constitution prescribes to the Congress and to the Congress alone.

ATTEMPTS BY CONGRESS TO DELEGATE LEGISLATIVE POWERS HELD UNCONSTITUTIONAL

The Constitution places these powers in Congress, and nowhere does it say that Congress may delegate to the executive branch of the Government these powers.

The Supreme Court has stated that the Congress may not delegate legislative powers to the executive branch.

It has declared acts void and unconstitutional in which the Congress did attempt to delegate its legislative powers.

It has declared unconstitutional acts in which the Congress attempted to delegate its powers to regulate commerce.

It has declared unconstitutional acts in which the Congress sought to delegate its taxing power to the executive branch, and duties and imposts are nothing more than taxes on imported products.

It has declared unconstitutional acts in which the Congress sought to, and did, enact legislation in violation of the due-process clause of the fifth amendment, under which no person in America may be deprived of life, liberty, or property without due process of law.

TRADE AGREEMENTS ACT DEPRIVING CITIZENS OF PROPERTY WITHOUT DUE PROCESS

The Trade Agreements Act is being used by the State Department today, and for years past has been used by the State Department, to deprive countless Americans of the use and benefit of their property, and, to a considerable extent, of their liberties, without due process of law.

Today thousands of textile workers, petroleum workers, machine-tool workers, and miners, millworkers, railroad and factory workers, loggers, fishermen, yes, and farmers, are in distress by reason of trade agreements entered into by the State Department with foreign slave-wage nations under the assumed authority of the Trade Agreements Act of 1934.

The State Department remade the industrial map of America in its own image.

The genesis of the Trade Agreements Act was very simple. In 1933 an administration took office which sought to exercise all power over the Nation's economy, and in particular to control production, money, commerce, and trade, especially trade.

A docile Congress, the 73d, accepted every White House dictate, and ground out acts wholesale under administration orders.

CONGRESS THAT PASSED TRADE AGREEMENTS ACT HOLDS ALLTIME RECORD FOR UNCONSTITUTIONAL ENACTMENTS

Ten acts passed by this Congress subsequently were declared unconstitutional by the Supreme Court of the United States—10 of them. No other Congress has ever achieved such an ignominious record.

Among them were the National Industrial Recovery Act, under which the executive branch sought to enact its own laws for the government of trade, industry, and transportation, and to do so through a delegation of legislative power by the Congress.

These laws, for that is what they were, were called codes, just as laws which the State Department presumes to make today governing foreign commerce are called trade agreements.

Chief Justice Hughes, who wrote the opinion, in the case of the Schechter Corp. against the United States, declaring the act unconstitutional, said in part:

Congress cannot delegate legislative power to the President to exercise an unfettered discretion to make whatever laws he thinks may be needed or advisable for the rehabilitation and expansion of trade and industry.

Please note the words "unfettered discretion." The Trade Agreements Act of 1934 grants to the President unfettered discretion to fix what tariffs he chooses on what products he chooses, and with what countries he chooses.

PRESIDENT HAS "UNFETTERED DISCRETION" TO SENTENCE INDUSTRIES TO DEATH UNDER TRADE AGREEMENTS ACT

The 1934 Trade Agreements Act—and H. R. 1, if enacted—give the President unfettered discretion to choose any industry, sentence it to death and extinction, and to determine how rapidly and how quickly it shall be liquidated as a burnt offering to the greed of foreign low-wage imports and trade.

In the Schechter case, Chief Justice Hughes said:

The act provides for creation by the President of administrative agencies to assist him, but the action or reports of such agencies, or of his other assistants—their recommendations and findings in relation to the making of codes—have no sanction beyond the will of the President, who may accept, modify, or reject them as he pleases.

Substitute the term "trade agreements" for "codes," and the State Department for the agencies President Roosevelt set up to administer the National Industrial Recovery Act, and I submit that the same declaration of the Chief Justice applies equally to the Trade Agreements Act of today.

Chief Justice Hughes continued as follows:

Such recommendations or findings in no way limit the authority which section 3 (of the National Industrial Recovery Act) undertakes to vest in the President with no other conditions than those there specified. And this authority relates to a host of different trades and industries, thus extending the President's discretion to all the varieties of laws which he may deem to be beneficial in dealing with the vast array of commercial and industrial activities throughout the country.

Such a sweeping delegation of legislative power finds no support in the decisions upon which the Government especially relies.

Chief Justice Hughes held that the National Industrial Recovery Act was an attempted delegation, to the Chief Executive, of legislative power, and therefore invalid.

DELEGATION RUNNING RIOT

Justice Cardoza, in a concurring opinion, called it "delegation running riot."

Provisions in the National Industrial Recovery Act had previously been held unconstitutional in the case of Panama Refining Co. against Ryan, as an attempted delegation of legislative power to the Chief Executive. I shall quote only

briefly from the syllabus of the opinion, rendered by Chief Justice Hughes:

Assuming (not deciding) that Congress itself might have the power sought to be delegated to the President by section 9 (c) of the National Industrial Recovery Act—viz, the power to inderdict the transportation in interstate and foreign commerce of petroleum and petroleum products produced or withdrawn from storage in excess of the amounts permitted by State authority—the attempted delegation is plainly void because the power sought to be delegated is legislative power, yet nowhere in the statute has Congress declared or indicated any policy or standard to guide or limit the President when acting under such delegation.

ABDICATION BY CONGRESS OF ITS POWERS FORBIDDEN IN CONSTITUTION

And again:

The principle forbidding Congress to abdicate, or to transfer to others, the essential legislative functions with which it is vested by article I, section 1, and article I, section 8, paragraph 18 of the Constitution, has been recognized by the Court in every case in which the question has been raised.

Or, as Chief Justice Hughes put it in his opinion:

The Constitution provides that "all legislative powers herein granted shall be vested in a Congress of the United States, which shall consist of a Senate and House of Representatives" (art. I, sec. 1). And the Congress is empowered "to make all laws which shall be necessary and proper for carrying into execution" its general powers. (Art. I, sec. 8, par. 18.) The Congress manifestly is not permitted to abdicate, or to transfer to others, the essential legislative functions with which it is thus vested.

Mr. President, let me repeat that part of the decision:

The Congress manifestly is not permitted to abdicate, or to transfer, the essential legislative functions.

The essential legislative functions are enumerated in the Constitution.

Mr. President, for 21 years Congress has abdicated its powers to regulate commerce. Among those powers are the functions—and they are vested functions, as Chief Justice Hughes declared—of laying duties on imports and regulating the foreign commerce.

Congress has abdicated them to the sacrifice and betrayal of scores and hundreds of patriotic American enterprises and tens and hundreds of thousands of loyal, patriotic American citizens, now out of work, with no hope or prospect of employment, and subsisting on a dole of surplus food commodities which have accumulated under the administration's misguided foreign-trade policies.

I say that the New Deal and the Fair Deal administrations put American industry on the auction block and sacrificed segments of its own selection to the avarice of foreign interests.

It did this through an illegal and unconstitutional grant by the Congress of the United States, in my opinion, and I hope and believe that the Supreme Court of the United States will soon so hold.

Lawyers and laymen may have opinions, but only the Supreme Court of the United States can be the ultimate and final judge.

Whether the Supreme Court ultimately holds that the Trade Agreements Act is constitutional or unconstitutional—and I think the latter will be the result—the act is morally and materially wrong and contravenes the spirit of the Constitution of the United States.

COMMITTEE MINORITY HELD ACT UNCONSTITUTIONAL AND UN-AMERICAN IN 1934

The Republican minority of the House Ways and Means Committee, when the law was enacted, declared in a minority report signed by 10 of the 25 members of the committee, that it was not only unconstitutional, but that it was un-American.

I fully subscribe to that conclusion. It is un-American to sacrifice American industries to the interests of foreign competitors and to discriminate between the areas and regions of this Nation in economic development.

It is un-American to place the prosperity of foreign industrialists and foreign workers above the welfare and economy of American workers in American industries.

It is un-American to subsidize foreign investors and foreign interests with American tax dollars to the detriment of American interests—and there are many American interests and industries which today are being destroyed.

It is un-American to turn over our rich American market to foreigners when Americans walk the streets searching for jobs that we have given, willy-nilly, to foreign sweatshops, foreign coolie, and foreign peon labor.

Thousands of American workers are "on the bricks today" because they have been bumped by a 13-cents-an-hour Japanese textile worker, a 30-cents-an-hour Italian pottery maker, or a 53-cents-an-hour-and-less British mechanic.

IT IS UN-AMERICAN TO GIVE COMMUNISTS IN FOREIGN COUNTRIES JOB PREFERENCE OVER AMERICANS

Other Americans are destitute because their jobs have been given away by our State Department to Communist pig farmers and pork processors in Communist Poland, to Communist glass workers and Communist glass factories in Communist Czechoslovakia, and to Communist farmers and industrialists in Communist Hungary.

It is both un-American and unconstitutional, if we believe in the Constitution as it was written. I do.

As I stated before, the administration of 1933 and 1934 sought to usurp the legislative power and to exercise autocratic and dictatorial control over all commerce and trade.

It sent to Congress the Agricultural Adjustment Act of 1933 and it was enacted. The Supreme Court knocked it out as invalid under the taxing power conferred exclusively on Congress in article I, section 8.

The Adjustment Act amendments of 1935 similarly were declared unconstitutional, and eight other power-seeking enactments of that era.

TRADE AGREEMENTS ACT KIN TO NEW DEAL LAWS DECLARED UNCONSTITUTIONAL

The Trade Agreements Act of 1934 came out of the kettle of poison brewed by that dictatorial-seeking administration, poison intended to paralyze the legislative branch and subject it to the whims of an arbitrary Chief Executive.

Seizure of domestic trade, commerce, and transportation was one goal: control of agriculture and the farmers another.

A New Deal Congress swallowed the poison bait, but the Supreme Court saved it from its folly. In doing so it preserved the Constitution of the United States and saved the rights of free American citizens, American producers, American industries, and American workers and investors under this, our Constitution.

The power-seeking administration also sought authority and control over all foreign trade and commerce, in defiance of the Constitution, article I, section 8.

Such controls, of course, affect the domestic economy and welfare, as the executive branch of that time well knew.

Congress swallowed that bait, too, away back in 1934, and it has renewed the dose at intervals ever since, paralyzing its constitutional authority and responsibility.

BAIT SUGAR-COATED WITH PROMISES NOT TO USE POWER TO INJURE INDUSTRIES AND CITIZENS

Each time the bait has been held out to the Congress it has been accompanied by bland assurances from the Executive. In effect, the assurances are these:

Give us authority to destroy any industry, business, or labor force we wish, and we will not use it. While we want the power to hurt, we are really nice people and will not hurt anybody.

That has been repeated in substance by every President who has asked extension of the Trade Agreements Act.

The grim facts are that industries have already been and are now being destroyed, that workers and investors are now, and have been, destroyed.

The powers of life or death each Chief Executive has sought under an extension of the Trade Agreements Act has resulted in the economic death of American enterprises and business in hundreds of American communities.

Mr. President, we are treading water with our economy, by throwing everything we have into national defense, manufacturing obsolete defense equipment, and sending the equipment to Europe, there to be put into warehouses, from which it will never be taken, unless it is taken by the Russians. In addition, we send billions of dollars to Europe to enable them to buy our goods. It is like a groceryman who, finding business a little slack, borrows money from a bank and throws the money around a neighborhood, in the hope that some of it will come back to him in trade. If a storekeeper were to go to a banker and ask him for a loan for the purpose of throwing the money around the neighborhood in the hope that some of it might come back to his store, we know what the banker would do. He would engage that person in conservation while he stepped on the little button on the floor. Soon the policeman on duty near the bank would take the person by the arm. The policeman would know the man was crazy, although he would not know whether he was dangerous.

As I have previously stated, common horsesense has become the scarcest commodity in Washington.

STATE DEPARTMENT BACKS FOREIGN COMPETITORS

Mr. President, the State Department has pitted communities and workers against foreign communities and foreign sweatshop workers in a bitter struggle for survival with the foreign concerns, many of which are financed by American capital.

In the economic slugging match the State Department loads the gloves of our foreign competitors with gold, coaches them from the sidelines, and makes all decisions in their favor. Any American who calls foul is sneered down with the admonition that the fight is under trade-agreement rules passed by the Congress.

It is difficult to win a fight fixed in advance against you.

American industry is striving desperately to survive in a fight fixed against it, with the State Department acting as the fixer.

The State Department is in the corner of the foreign competitor. The State Department rigs the rules.

The State Department not only rigs the rules giving the foreign competitor the knockout advantage but it acts as judge and referee.

State Department decisions invariably favor the foreign interest the State Department has championed, or in which the Foreign Operations Administration, which works with it, has invested American gold extracted from our taxpayers.

FIFTY-FIVE THOUSAND CONCESSIONS TO FOREIGN INTERESTS; NONE TO UNITED STATES INDUSTRIES

Some 55,000 concessions have been made, I am informed, to freeze or lower duties or tariffs under the Trade Agreements Act and GATT, all to the advantage of foreign low-wage industry workers and interests.

When has the State Department ever sought a concession to benefit an American industry, interest, or for that matter, an American investor or American workingman?

Mr. President, every nation in the world except the United States of America works for its own interests and strives to build up its own economy. Through the illegal, unconstitutional Trade Agreements Act we are working toward the destruction of our workingmen and small investors, and we are becoming dependent on foreign labor as against our own skilled workers.

As I stated previously, the Supreme Court has never yet handed down a decision on the constitutionality of the Trade Agreements Act of 1934, which differs drastically from all previous trade and tariffs acts which have been tested in the courts.

Supreme Court decisions in companion New Deal legislation declaring such legislation unconstitutional were all handed down subsequent to passage of the Trade Agreements Act.

COMMITTEE MEMBERS TERMED TRADE ACT UNCONSTITUTIONAL IN 1934

When the Trade Agreements Act of 1934 was reported from the Committee on Ways and Means, 10 members of that committee called it unconstitutional.

They gave their reasons in a very comprehensive report.

Other members of the committee took the position that the constitutionality had been determined in previous but different acts.

This the 10-member minority disputed.

Committee members disagreed then and disagree today.

There was disagreement on the question in the House debate on H. R. 1.

There always will be disagreement until the Supreme Court decides the question once and for all, basing its decision on clear and express terms of the Constitution.

This the Supreme Court has not done.

It has not done so because no case has reached the Supreme Court on which the Court felt impelled to render a decision on the constitutionality of the 1934 Trade Agreements Act, or of any of the extension acts.

WAYS AND MEANS MINORITY IN 1934 RAISED 24 OBJECTIONS TO ACT

The report of the House Ways and Means Committee on the 1934 Trade Agreements Act is almost unavailable today. It contained both the majority views and the minority views, the latter signed by 10 members.

I should like to quote some of the 24 objections to the bill, those bearing on its constitutionality.

Objection 1: It (the trade-agreements bill) delegates to the President discretionary legislative power on tariffmaking—not simply an administrative power to apply a definite formula laid down in advance by Congress, such as is given under present flexible tariff provisions—and thereby provides for an unconstitutional delegation of the supreme taxing power of Congress.

Objection 2: It has no counterpart in past legislation, Republican or Democratic, since in each previous reciprocity measure Congress has either fixed in advance the concessions or retaliations the President might use as a basis for negotiation, or it has reserved the right to both the House and Senate to approve or reject any treaty or agreement entered into by him.

Objection 3: Any previous legislation giving the President authority to put a prescribed legislative policy of Congress into effect upon the finding by him that a certain state of facts existed is no precedent for giving him the power under similar conditions to put into effect rates of duty which he himself prescribes.

Objection 4: If the expansion of our foreign trade seems desirable, it should be accomplished by existing constitutional means.

ACT ABANDONED PROTECTION TO AMERICAN INDUSTRY

Some of the other 24 objections may be pertinent at this point.

Objection six states:

It (the act) contemplates the abandonment of the principle of protection for domestic industry, agriculture, and labor by allowing existing duties to be modified without reference to the difference in cost of production of domestic and foreign articles.

And here is an objection that bears out what I have said many times on the floor of the United States Senate:

It places in the hands of the President and those to whom he may delegate his authority the absolute power of life and death over every domestic industry dependent upon tariff protection.

Here is another objection:

The bill gives no indication as to what domestic industries may be put upon the auction block in the negotiation of foreign-trade agreements, nor were any of the accredited representatives of the administration appearing before the committee willing to give such an indication except in the most general and meaningless terms.

H. R. 1 TODAY AVOIDS NAMING WHAT INDUSTRIES TO BE KILLED

Mr. President, that criticism is as applicable today as it was in 1934.

H. R. 1, which the Senate Finance Committee will presently consider, gives no indication as to what domestic industries are to be put upon the foreign auction block in the future, nor did the administration witnesses appearing at the hearings on H. R. 1 give any such indication, even in the most general and meaningless terms.

Nor was one mark of sympathy or pity expressed by these administration witnesses for any of the scores of American industries which already have been put up for sacrifice on foreign auction blocks at Annecy, France; Torquay, England; and Geneva, Switzerland, where the State Department prefers to hold these auctions selling American industry, workingmen, and interests down the river.

I expect, at a later date, to discuss H. R. 1 in considerable detail, particularly with reference to its potential effects on investments and employment in American industry, but today I am primarily concerned about the constitutionality of the present act, which is the act of 1934 as extended.

The minority report of the House Ways and Means Committee in 1934 was devoted principally to a discussion of the constitutional aspects.

It first stated, as I have indicated, its objections, 24 in number, and then expanded on them at some length in a more general statement.

I shall quote several portions.

REPORT DETAILED "LEGAL ASPECTS"; TERMED ACT UNCONSTITUTIONAL

The first portion is headed "The legal aspects" and I quote from it as follows:

The Constitution of the United States provides in section I of article I that all legislative powers therein granted shall be vested in the Congress. Section 8 of the same article provides, among other things, that Congress shall have the power to "lay and collect taxes, duties, imposts, and excises" and to "regulate commerce with foreign nations." Article II lodges the executive power of the Government in the President, and the judicial power in the Supreme Court.

The Supreme Court has many times held that under this division of powers, it is a breach of the Constitution for Congress to delegate its legislative powers to the Executive, or to invest itself with either executive or judicial power. This bill gives the President broad discretionary power in fixing tariff duties, and the minority submit that it is unconstitutional * * *.

Those sponsoring the bill attempt to argue that it is not a delegation of legislative power, but rather one of administrative power, against which there is of course no constitutional inhibition. They point to the fact that by the terms of the bill the President may not increase or decrease an existing duty by more than 50 percent, but this limitation only goes to prove the contention of the minority that it is the President who fixes

tariff duties under the bill and not Congress. They also attempt to show that the bill lays down a rule of conduct to guide the President in fixing duties, but the minority submit that he is guided by his own discretion.

ACT OF 1934 FIRST TO GIVE PRESIDENT FREE HAND IN TARIFFMAKING

Mr. President, I shall not take the time of the Senate to review the tariff acts prior to the act of 1934, which proponents contended serve as a precedent for the 1934 act.

Suffice to say that not one of them gave the President a free hand in tariffmaking as did the Trade Agreements Act of 1934 and its subsequent extensions, and as H. R. 1 proposes.

No previous legislation ever authorized the President under general powers to conclude foreign-trade treaties without also requiring that such treaties before becoming operative should be ratified by Congress.

To sum up, the minority views of this committee, signed by 10 of its members, termed the Trade Agreements Act of 1934 unconstitutional.

AMENDMENT TO CONSTITUTION HELD NECESSARY TO MAKE ACT LEGAL

It said that:

If the administration wants to set up a cabinet form of government, with power in the executive to legislate by presidential decree, then it should first submit the proposition to the people through a proposed constitutional amendment.

Mr. President, in its tariff negotiations today and in those of recent years, we have had a cabinet form of government, the executive branch legislating by decree just as does the head of any kingdom, monarchy, or dictatorship.

At this point I should like to quote what George Washington said in his Farewell Address relative to changing the Constitution of the United States:

If, in the opinion of the people, the distribution or modification of the constitutional powers be in any particular wrong, let it be corrected by an amendment in the way which the Constitution designates. But let there be no change by usurpation; for though this, in one instance, may be the instrument of good, it is the customary weapon by which free governments are destroyed.

Mr. President, the State Department, as I previously stated, has entered into trade treaties outside the presumed delegation of any Trade Agreements Act, and, furthermore, the executive branch contends it has that power.

In the recent so-called potato case—United States against Guy W. Capps, Inc., involving an executive trade agreement with Canada—it was actually contended that the executive powers transcended any legislation by Congress.

POTATO CASE REVIVES QUESTION OF "INHERENT POWERS" OF PRESIDENT

The executive agreement, in fact, had been made outside of any authorization by the Congress.

On this point Chief Judge John J. Parker of the Fourth United States Circuit Court of Appeals said:

It is argued, however, that the validity of the executive agreement was not dependent upon the act of Congress but was made pursuant to the inherent powers of the President under the Constitution.

The answer is that while the President has certain inherent powers under the Constitution, such as the power pertaining to his position as Commander in Chief of Army and Navy and the power necessary to see that the laws are faithfully executed, the power to regulate interstate and foreign commerce is not among the powers incident to the Presidential office, but is expressly vested by the Constitution in the Congress.

SUPREME COURT DECISION ON EXECUTIVE POWERS CITED

Judge Parker also cited the Supreme Court decision in the steel seizure case of Youngstown Sheet & Tube Co. against Sawyer, in which the Court stated:

In the framework of our Constitution, the President's power to see that the laws are faithfully executed refutes the idea that he is to be a lawmaker. The Constitution limits his functions in the lawmaking process to the recommending of laws he thinks wise and the vetoing of laws he thinks bad. And the Constitution is neither silent nor equivocal about who shall make laws which the President is to execute. The first section of the first article says that "all legislative powers herein granted shall be vested in a Congress of the United States * * *." After granting many powers to the Congress, article I goes on to provide that Congress may "make all laws which shall be necessary and proper for carrying into execution of the foregoing powers and all other powers vested by this Constitution in the Government of the United States, or in any department or officer thereof."

Further in his decision, Judge Parker said:

Imports from a foreign country are foreign commerce subject to regulation, so far as this country is concerned, by Congress alone.

The Government carried this case to the Supreme Court. The Supreme Court avoided completely the constitutional question involved and decided the case against the Government on other grounds.

I submit that in the clear-cut test of constitutionality filed today by the Morgantown Glassware Guild, if it reaches the Supreme Court, such an avoidance can hardly happen. I see no room in this case for either avoidance or evasion.

Mr. President, I call attention to the fact that even a 10-percent reduction in the duty may result in the almost complete annihilation of an industry, because such a reduction relates to the particular difference in the cost of production, considering the wage standard of living, the taxes, and the cost of doing business in the United States and in the chief competitive nation. So the only way in which the industry could remain in business, under a 10-percent reduction, would be to write off the investment and lower wages to meet the competition, otherwise it would have to go out of business. But in the case filed today plaintiff industry has been hurt by a reduction of duties on foreign goods competing against it, not 10 percent but 50 percent and even greater.

PRESIDENT HAS UNFETTERED DISCRETION IN TARIFF MATTERS UNDER PRESENT ACT

Today the President has unfettered discretion to modify duties, change them, prescribe them, the only limitation being that they may not be varied more than 50 percent. However, he is on the second 50-percent reduction, making a total reduction on many items of 75 percent.

The effect is that the President may cut off the legs of an industry, or the arms, or a leg and an arm, but cannot amputate more than half an industry at one stroke of the executioner's ax, or a maximum in some cases of three-fourths of an industry's protection.

The President has unfettered discretion under the so-called escape clause, which is to be continued unchanged under H. R. 1, and there is no escape from the President's authority at all.

The escape clause, of course, is to wet the public down for an additional 1, 2, or 3 years, whatever the extension is to be; it was never intended to be for the relief of industry.

The Tariff Commission may make an exhaustive review of the industry being decapitated by foreign imports, it can present findings of fact of injury or crippling damage caused by these imports, and it can make recommendations for relief based on these facts and findings only to have the President, in his unfettered discretion, throw the findings and recommendations into the wastebasket and rule in favor of the foreign competitor, as has been done in 10 of the 15 cases in which relief was found by the Tariff Commission to be justified and needed.

CAN ESCAPE CLAUSE BE VALID WHILE PRESIDENT HOLDS VETO POWER?

The escape clause itself, in my opinion, is an unconstitutional delegation of legislative authority so long as it gives absolute veto power to the President, as it does.

It presumes to delegate a power to the Tariff Commission, and at the same time delegates a power to the President to negate the power given to the Tariff Commission, both powers affecting the same tariff principle or tariff relief.

The delegation of power to the Tariff Commission is a nullity so long as the President can arbitrarily set this delegation aside.

As a learned judge has said in a similar case, likewise involving tariffs:

If the Commission finds the predetermined will of Congress, a presidential veto, or refusal to proclaim it, must then negative the congressional will.

In such cases the President expresses a contrary will of his own. The Commission's finding and the Presidential veto cannot both be the predetermined will of Congress. It cannot be two things at once.

In my opinion, Mr. President, the present escape clause in the Trade Agreements Act serves to emphasize the exercise of "unfettered discretion" by the President.

NO CHECK ON PRESIDENT'S POWER UNDER PRESENT ACT

No power, other than his own, determines the tariffs placed on imports today. There is no check, no balance of this power, no control or legislative regulation. It is sheer autocratic Executive power such as, in my opinion, the Constitution expressly prohibits, and it has been used as such.

In the minority views on the trade agreements bill itself, signed by 10 members of the Ways and Means Committee in 1934, they asked:

Should we place in the hands of one man the absolute power of life and death over every domestic producer dependent upon tariff protection, and allow him to destroy one industry in an attempt to find a foreign market for the surplus products—

That is the crux of the matter, Mr. President.

POWER TO DESTROY TOO GREAT TO PUT IN ONE MAN'S HAND

The power to destroy is too great a power to place in the hands of any one man as it now is in one man's hands, no matter how humanitarian, conscientious, and patriotic that man may be. It is too great a power to place in one man's hands even if it were constitutional, which it is not. Furthermore, it was not so intended by the Constitution.

There were other questions asked in that report. The objectors asked:

What are the implications of this authority?

In the first place—

They continued—

the negotiations of reciprocal trade agreements will be carried on in secret, as are all international negotiations.

Mr. President, no more truthful statement was ever uttered. All of them have been carried on in secret, and still are.

The State Department takes great pride in the fact that the negotiations are secret.

Secondly—

The report resumed—

the President will not do the negotiating himself, but will delegate his authority to subordinates.

How true.

REPORT CORRECTLY PREDICTED SUBORDINATES WOULD WIELD TARIFF POWERS

These subordinates may find that some foreign country is willing to take more of our typewriters or lard if we will reduce our duties on some industrial or agricultural product. They may consider that the domestic industry producing this particular product is uneconomic or inefficient—

How often we hear that from our present-day subordinates and free traders—

and that therefore it—

The particular industry—

should not be encouraged by further tariff protection.

Thereupon—

The report continued—

without notice to the domestic industry affected, or without opportunity for it to be heard, the agents of the President will concede the reduction in duty asked for by the foreign country and recommend to the President that the agreement be entered into by him and the necessary reduction in duty proclaimed. The President, in good faith, and in what he deems to be the public interest, may accept the recommendation of his subordinates and make the reduction in duty called for by the agreement.

As one result, the report pointed out—

Some branch of American agriculture or industry will be put out of business by the admission of the foreign product at a lower rate of duty.

We had a shining example of that in the case of an agricultural product, butter, which, as a result of lower duties, is imported from European nations, and sold in our domestic market, while American-produced butter is bought by the Government and stored. Then every so often we hear a prominent official in the administration threatening to give the American-produced butter to Russia or to sell it to American housewives at about half the price the Government paid for it. The only way American butter makers are kept from being put out of business is by having the rest of the taxpayers buy their butter and put it in storage.

REPORT CALLED PROCEDURE "UN-AMERICAN"

As I have pointed out, by the admission of a foreign product at a lower rate of duty the unfortunate victim, the American producer, will have been condemned to economic death, without appeal from the executioner's verdict.

This procedure—

The original 10 objectors, several of whom still are Members of the Congress, stated—

is decidedly un-American, and in conflict with the fundamental principle that neither a man's business, nor his property, nor his livelihood, should be taken from him except by due process of law.

Mr. President, hundreds if not thousands, of businessmen and industrialists throughout the Nation are today finding their enterprises, their property, and their livelihood taken away from them without any semblance of due process under constitutional procedure.

They are being deprived of their business, their property, and their livelihood by trade agreements entered into with foreign countries by subordinates of the President exercising what I considered arbitrary, unconscionable, and unconstitutional powers.

SUBORDINATES HOLDING LIFE OR DEATH POWERS OVER INDUSTRY ARE NOT ELECTED

Not one of these subordinates has been elected by the people to represent them in any capacity.

Not one of them is a representative of a single precinct, town, county, city, or State in any elective capacity.

Yet they assume life and death powers over, not only industries and jobs, but also over geographic areas and localities.

Mr. President, we have read statements from the State Department that Congress should appropriate money to enable idle workers to move from one area to another to seek other jobs, when their unemployment has been caused by trade agreements, and that investors should be compensated for their loss of investment.

Mr. Lincoln had something to say about that when in 1860 the Republican platform proposed to adjust import tariffs "so as to encourage the development of the industrial interests of the whole country," Mr. Lincoln said:

If this Nation is ever destroyed, it will be not from without but from within.

He did not say that there would be both an economic and political approach to destroy the Nation, but he very clearly had a premonition to that effect.

At another time, we were engaged in building railroads across the country. At the end of the Civil War there were no transcontinental railroads. So after Congress had decided that there should be transcontinental railroads, the problem arose as to whether we should build foundries in this country to manufacture steel rails or whether we should buy them from England, which country already knew how to make steel rails. Abraham Lincoln used that great brain of his for a while and then said something in keeping with the commonsense for which he was noted. He said:

If we purchase a ton of steel rails from England for $20, then we have the rails and England has the money; but if we buy a ton of steel rails from an American for $25, then America has both the rails and the money.

It sounds a little bit like the Buy American clause Mr. President, with a 25 percent advantage.

Mr. DOUGLAS. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. CLEMENTS in the chair). Does the Senator from Nevada yield to the Senator from Illinois?

Mr. MALONE. I yield.

Mr. DOUGLAS. Is the Senator from Nevada aware of the fact that the quotation which he has ascribed to Lincoln is in all probabality a purely fictitious quotation which was attributed to Lincoln by advocates of the protective tariff, but which cannot be found in any speech or statement of the great Emancipator? I urge the Senator from Nevada to consult the various biographies of Lincoln, including an article published in the Journal of the American Economic Association written by Mr. Taussig 38 years ago, as well as the authorized anthologies of Lincoln writers. I love Lincoln too much to have the Senator from Nevada desecrate his memory by quoting an alleged statement by Lincoln which he never made.

Mr. MALONE. Mr. President, I would simply say to the distinguished Senator from Illinois that for 22 years all the New Dealers, including the Senator from Illinois, have tried to desecrate the memory of every great man we have had by belittling almost every commonsense statement he ever made.

Mr. DOUGLAS. Mr. President, the question is simply whether Lincoln said this or did not say it. There is no evidence that he ever said it. The Senator from Nevada, apparently in good faith, is attributing to Lincoln a statement he never uttered.

Mr. MALONE. Mr. President, I have given the distinguished Senator from Illinois all the time it is necessary for him to have to further desecrate the memory of Lincoln. The facts are that Lincoln ran on a platform in 1860—a Republican platform—pledging protection to labor and industry—so as to encourage the development of the industrial interests of the whole country—and was elected. Abraham Lincoln always stood for the workingman and for free enterprise, and there is ample record. I think evidence can be found to the effect that George Washington did not

cut down the cherry tree; furthermore, I think ample evidence can be found to the effect that many things were said by both of those great men, and all of them make good commonsense.

Again, Mr. President, I say that for 22 years, less common horsesense has been exercised in Washington, D. C. than in any other place I have ever been. This is the only country on earth where some men are not for their own country. Instead, they are in favor of dividing our wealth with all the other nations; and in all the debates in which the distinguished Senator from Illinois has engaged, all his remarks have been along that line.

Mr. DOUGLAS. Mr. President, for the sake of the record——

Mr. MALONE. Mr. President, I decline to yield further.

The PRESIDING OFFICER. The Senator from Nevada declines to yield.

Mr. MALONE. Mr. President, I shall be very happy to yield to the distinguished Senator from Illinois when he has any questions to ask, but I decline to yield for a speech by him.

DISTRESS AREAS INCREASE FROM 37 TO 144 IN 2 YEARS

Eleven months ago, Mr. President, I read into the RECORD the list of distressed areas in the United States, as the list was constituted at that time. There were 80 of these areas then. There are now 144, or were at the time of the January 1955, check made by the Department of Labor, the report of which was received only several weeks ago. If the distinguished Senator from Illinois will listen, I think he will find that some of them are in Illinois.

This is 107 more distressed areas than there were in January 1953; 93 more than there were in January 1954; and 64 more than at the time of my report last March.

In that report I broke down the distressed areas into the dominant industries which have been injured by imports of foreign goods. I demonstrated that a preponderant majority of these distressed areas were in distress because cheap foreign imports from countries subsidized by billions in American tax dollars had invaded and captured much of the American market.

Today, I shall not attempt to break down the record, industry by industry, or occupation by occupation. Each distinguished Member of this body knows what areas in his State are suffering a depression, what industries in these areas have been cut down or destroyed, and approximately the number of industrious citizens who have been thrown out of work; and each Senator knows, or should know, what effect imports of foreign goods have had on these distressed areas and depressed industries.

SUPERDISTRESSED AREAS NOW ADDED TO DISTRESSED AREA LIST

Mr. President, since my address of March 31, 1954, the Labor Department has seen fit to break down the distressed areas into two classes, Group IV–A and group IV–B, the distinction being that in group IV–B unemployment—or labor surplus, as the Labor Department prefers to call it—exceed 12 percent of the labor force, while in group IV–A only 6 to 12 percent of the workers are out of jobs.

We thus have in the United States distressed areas and superdistressed areas—144 of them at present; and they do not receive one dime of Mr. Harold Stassen's foreign aid. They are distressed despite prosperity in certain parts of the country, and despite reasonably stable conditions in other parts of the country. If Senators will look closely for the reason why these areas should be distressed and others not, I think they will find this is the reason.

Mr. DOUGLAS. Mr. President, will the Senator from Nevada yield?

Mr. MALONE. I yield for a question.

Mr. DOUGLAS. Would the Senator from Nevada say that the great increase in the number of distressed areas in the last 2 years is proof of Republican prosperity?

DEMOCRATS FOR FREE TRADE; REPUBLICANS FOR PROTECTING WORKINGMAN AND MARKETS

Mr. MALONE. Mr. President, I would say that I am not defending our mistakes, any more than I defend the mistakes of the Democratic administrations for 20 years.

For 70 years—and the Senator from Nevada documented the evidence—the Democratic Party has been in favor of free trade. Every one of the national conventions of the Democratic Party has adopted a resolution to that effect. Every one of the Republican conventions for 70 years has been in favor of duties to make up the differential between the wage-standard of living and the taxes and the cost of doing business, as between the United States and the highest competitive nation, in the case of each product. That is for the purpose of protecting the workingman and industries of the United States of America.

Therefore, Mr. President, if we repeat the same mistake, there is no excuse for it.

Mr. DOUGLAS. Then, Mr. President, I take it that the answer of the Senator from Nevada is that the 2 years of Republican prosperity have largely been fictitious, and that the result has been a great increase in the number of distressed areas.

WAR-BUILT PROSPERITY IN PAST 20 YEARS FICTITIOUS

Mr. MALONE. Not only that, Mr. President; but I will say to the distinguished Senator from Illinois that for 20 years the so-called prosperity has been fictitious. In other words, in that period there have been two world wars, plus the WPA and the PWA, and now preparations for war, and the sending of billions of dollars to Europe to enable the countries of Europe to buy American goods. This is much the same as in the case of a little grocery store which could not do enough business—the grocer might go to the bank and might borrow money with which to purchase groceries from his own store. That is the kind of prosperity we have, and we are treading on water, and that is dangerous.

Mr. DOUGLAS. Am I treading on water, or is the Republican administration treading on water?

Mr. MALONE. The present Republican administration has thus far carried out the Democratic platform that has been in existence for 70 years. The only reason the Democrats have never been hurt particularly before is that they never have been in office long enough in peacetime to put their theory into play. But they did during World War I; and immediately afterward, they had to call a special session of the Congress in an attempt to pull the country out of the depression. During the past 20 years they were in war, or preparing for war 12 years, and maintaining a fictitious prosperity by keeping the Nation on a war economy. Democrats have never brought prosperity in peacetime.

Mr. President, when a Democratic principle, such as free trade, is wrong, it does not make it right for a Republican administration to follow it. However, we have not yet followed the Democratic free-trade principle permanently. We have been extending it. In 1953, we extended the Trade Agreements Act for 1 year. In 1954 we extended it for another year. This Senate has not yet extended it. Today, as I have pointed out, there has been filed in the Federal district court a suit to determine the constitutionality of the act; and I have an idea that before a good many people are much older, they will be listening to that suit.

TRADE ACT BORN AS AN EMERGENCY ACT

In 1934, the Trade Agreements Act was passed for 3 years, as an emergency measure. Every few years thereafter it was extended. In 1951, some of us were able to cut the extension to 2 years. In 1953, we were able to cut the extension to 1 year. We were able to do the same in 1954.

This year we are confronted with a request for an extension for 3 years, together with a 15 percent further reduction in tariffs. Such a measure has not yet been passed by Congress.

Mr. President, at this point I wish to say that in this country we have had an awful lot of advice from various persons—from the President, down—who have been telling us what Congress is going to do and what the policy of the United States will be. In many speeches, various Senators and Representatives have been saying what the national policy will be; and similar statements have been made by top administrative officials.

PRESENT TRADE ACT EXTENSION BILL WILL SPELL DESTRUCTION OF SMALL INVESTORS

Mr. President, I should like to predict what the policy of the Nation is going to be. It is going to be what Congress passes, after full debate, and what the President signs. That is what it is going to be. Congress has not yet passed the proposal for a 3-year extension of the act. Furthermore, last year, Congress did not extend the act for 3 years; neither did Congress agree to make the presently proposed 15 percent reduction in tariffs, all of which would have completely destroyed the small investors in the United States. These small investors are the ones who do not have sufficient credit or funds to enable them to build their plants on foreign soil and there use the low-wage labor of foreign countries, to compete with American

labor by sending into the United States markets the products thus developed in foreign countries.

I shall be glad to yield any time any Senator wishes to ask a question.

BLIGHT DUE TO IMPORTS STEADILY GROWING

Mr. President, the areas of distress and superdistress in the Nation today are those which have been and are being cut down by foreign-import competition. The areas not yet suffering distress are those where the effects of import competition have not yet reached a crippling extent. However, under the 1934 Trade Agreements Act all areas are under a continued threat of reduction or extinction, because the State Department fixes the tariff rates or duties, and fixes them ever downward.

EXPIRATION OF TRADE ACT ON JUNE 12 WOULD RESTORE PRINCIPLE OF FAIR COMPETITION

When one executive officer, with unlimited authority, has the power of life or death over the investment of an American investor or the job of an American workingman, then private investments are not available, as they would be under a basic principle established by Congress, as the Constitution contemplated. This would end with expiration of the Trade Agreements Act of 1934, which is now scheduled to die at midnight of June 12. Then we would revert to the 1930 Tariff Act. Under the 1930 tariff law the question of the duty would be determined by the Tariff Commission, an agency of Congress. Then the Tariff Commission would be bound by the principle prescribed in the 1930 law of determining the difference between the cost of production of an article in this Nation and the cost of producing a like article in the chief competitive country. The Commission would then recommend that difference as the tariff.

As the wage standard of living rose in other countries, tariffs could come down in this country, and would come down under the principle established by law in the 1930 Tariff Act. A change in that principle requires action by Congress. The Tariff Commission is working in accordance with a principle as the Interstate Commerce Commission is working in the regulation of freight rates according to a certain principle. At one time every railroad had a different rate for every important shipper. That system did not work very well, so Congress enacted a law creating the Interstate Commerce Commission and establishing a principle by which it should work in regulating freight rates.

What was that principle? That principle was based upon a reasonable return on the investment. Congress did not say that the President of the United States, through an administrative officer, could fix any freight rates he wished to fix. It created the Interstate Commerce Commission, an agent of Congress. The Tariff Commission is an agent of Congress. Congress laid down the principle under which the Interstate Commerce Commission was to operate in fixing freight rates on the basis of a reasonable return on the investment.

The Tariff Commission was created as an agent of Congress, and the principle was laid down that the difference in cost of production of an article as between this country and the chief competitive nation was to govern the tariff.

POWER OVER TARIFFS IN ANY ONE MAN'S HANDS IS WRONG

To give anyone, whether he be the President of the United States, the President of the Senate, or the Speaker of the House of Representatives, or any other individual, the power of life and death over an industry or over a man's job, is unthinkable. Even if it were constitutional, it would be clearly beyond anything that has ever been done in the United States. It would mean a return to the old English system of taxation without representation, which resulted in the Boston Tea Party.

Mr. President, the list of areas blighted by import competition is constantly growing, and growing rapidly. From 37 to 144 in 2 short years is a tragic increase, a growth that can be fatal to our entire national economy. It is creeping economic paralysis brought about by an unconstitutional grant of authority.

NEW ENGLAND SUFFERING FROM IMPORT COMPETITION

Let us look to the distressed areas in region I first, which embraces New England.

There I find under group IV–A distressed areas the following:

Bristol, Conn.; Biddeford, Maine; Fall River, Mass.; Fitchburg, Mass.; Lowell, Mass.; Milford, Mass.; New Bedford, Mass.; North Adams, Mass.; Providence, R. I.; and Springfield, Vt.; 10 in all.

But under group IV–B, the superdistressed list, I find three more: Lawrence, Mass.; Southbridge-Webster, Mass.; and Burlington, Vt.

To recapitulate, there are 8 in Massachusetts, 2 in Vermont, and 1 each in Connecticut, Rhode Island, and Maine.

Ask the industrialists and businessmen in these cities, ask the jobless textile worker or costume jewelry craftsman, ask the unemployed in any productive occupation in these cities and communities what has blighted their areas. You will find one answer: Imports—imports of cheap, foreign, sweatshop goods from countries that are being subsidized in billions of American tax dollars.

NEW YORK, NEW JERSEY DISTRESSED AREAS LISTED

Let us move on now to region II, New York, New Jersey, and Puerto Rico. The Puerto Rico areas, all three of them, have been in distress for several years; their distress is chronic.

But in addition to Puerto Rico, we find 5 distressed New York State areas, and 3 superdistressed New York State areas. The former are Albany-Schenectady-Troy, Buffalo, Hudson, Oswego-Fulton, and Utica-Rome, 9 cities within 5 areas, and in the latter classification Auburn, Amsterdam, and Gloversville, where 12 percent or more of the labor force is jobless.

Eventually I expect to discuss in some detail the causes of their distress, as reported from other sources, and the effects of imports on their economy. Paterson, N. J., and Atlantic City are the two other class 4 areas in this region.

MID-ATLANTIC STATES HURT BY IMPORT FLOOD

I now come to region III, North Carolina, Pennsylvania, Maryland, West Virginia, and Virginia, which the import blight has struck with the greatest vengeance of any region in the United States.

Forty-three distressed areas are in this mid-Atlantic region, and 25 of them are superdistressed.

Pennsylvania has 12 class IV–B areas where 12 percent or more of the labor force is unemployed: Altoona, Butler, Clearfield-Du Bois, Indiana, Johnstown, Kittanning-Ford City, Lock Haven, Pottsville, Scranton, Sunbury-Shamokin-Mount Carmel, Uniontown-Connellsville, and Wilkes-Barre-Hazleton.

The Keystone State also has 8 class IV–A distressed areas with 6 to 12 percent of the labor force out of jobs, Berwick-Bloomsburg, Erie, Newcastle, Oil City-Franklin-Titusville, Philadelphia, Pittsburgh, Reading, and Williamsport.

PRESIDENT SHOULD SEEK PENNSYLVANIA AREA VIEWS ON FREE TRADE

Are they enthusiastic and inspired by the State Department's free-trade program? Ask them. Do they want the Trade Agreements Act extended to give foreign producers further opportunity with further tariff cuts, to flood the American market with foreign goods, cutting down American payrolls and closing American plants, mills, mines, and factories? Ask them. Or perhaps the President should ask them. After all, he is a prospective Pennsylvanian.

West Virginia has 9 superdistressd areas and 4 that are merely distressed. The former are Beckley, Bluefield, Charleston, Fairmont, Logan, Morgantown, Point Pleasant, Ronceverte-White Sulphur Springs, and Welch.

The latter are Clarksburg, Huntington, Parkersburg, and Wheeling.

That is a total of 13. How do they feel about extending further free-trade advantage to foreign producers of residual oil, or glassware, or pottery, or electrical equipment, or other products that are pouring in on the cutrate tariff wave and swamping their traditional American markets?

SOUTH ALSO HURT BY IMPORTS

North Carolina has five distressed areas, Asheville, Durham, Kinston, Waynesville, and Winston-Salem. Maryland, one: Cumberland. Virginia, four: Radford-Pulaski, in class IV–A, and Big Stone Gap-Appalachia, Covington-Clifton Forge, and Richlands-Bluefield in the superdistressed class IV–B.

Mr. President, region IV embraces Alabama, Georgia, South Carolina, and Tennessee, which hold great industrial promise for the future if their manufacturing industries are permitted to thrive. Under free-trade theories this should be the most prosperous region in the United States, and yet I regret to find that there are 15 distressed areas in this region: Alexander City, Anniston, Decatur, Florence-Sheffield, Gadsen, Jasper, and Talladega, Ala.; Cedartown-Rockmart and Cordele, Ga.; Walterboro, S. C.; and Chattanooga, Knoxville, Newport, Johnson City-Kingsport-Bristol and La Follette-Jellico-Tazewell, Tenn.

Three of these areas are superdistressed: Jasper, Ala., and La Follette-Jellico-Tazewell and Newport, Tenn.

MIDWEST AREAS SUFFER FROM MARKET LOSS

Region V—Kentucky, Michigan, and Ohio, have 29 distressed areas, 10 of them in the superdistressed category.

The 10 are Corbin, Hazard, Henderson, Madisonville, Middlesboro-Harlan, Morehead-Grayson, Paintsville-Prestonburg, and Pikeville, Ky.; Iron Mountain, Mich.; and Cambridge, Ohio.

They are in the group where 12 percent or more of their working citizens are unemployed.

The areas where unemployment ranges only from 6 to 12 percent are Frankford and Owensboro, Ky.; Adrian, Battle Creek, Bay City, Benton Harbor, Ionia-Belding-Greenville, Jackson, Monroe, Muskegon, Owosso, and Port Huron, Mich.; and Canton, Findlay-Tiffin-Fostoria, Mansfield, Newark, Sandusky-Fremont, Springfield, and Toledo, Ohio.

LOSS OF MARKETS TO FOREIGN COMPETITORS FATAL TO PROSPERITY

All are fine American cities and communities. All have enjoyed maximum employment and prosperity in the past. All of them once had the advantage of the world's greatest market, the United States of America, for their products, on the basis of fair and reasonable competition and equal access to their own American markets.

What has caused those markets to shrink, and in many instances to dry up?

Money?

We have more money in circulation now than ever before.

Depression?

We have no general depression. We have spot depressions, as these 144 distressed areas could testify, but elsewhere we have a relative degree of prosperity.

Then what has happened to the market for the products of these areas?

I can tell the Senate.

The domestic market in large measure has been captured by our foreign competitors with their slave-wage, government-subsidized foreign goods, which in the main have been financed through American aid and American tax dollars.

Any one commodity made by foreign labor and imported into the United States means one less of that commodity to be made by American labor in an American factory in an American city or community.

FOREIGN COMPETITORS SUBSIDIZED BY 50 BILLION OF OUR MONEY SINCE WAR

American labor, American industry, and American communities are quite willing to compete against foreign labor, foreign industry, and foreign commodities on the basis of fair and reasonable competition, but there is no assurance of such fair and reasonable competition since the State Department took over under the 1934 Trade Agreements Act.

We have poured $50 billion since the war into foreign countries to build up foreign competitive industries manufacturing the same commodities that we do.

This is known as foreign aid.

Having built foreign industries to overcapacity, with production so immense that the European countries cannot absorb their own production but have a surplus, we have undertaken to absorb whatever surplus they may have in our own markets.

We have encouraged them to sell their products, the same products we make ourselves, in the American market, and we have done and are doing this by lowering tariffs so that they can outbid us for the American dollar in our own market.

First, we financed overproduction in Europe's industries, built up in Europe an industrial surplus and a commodity surplus, and now we are trying to take that surplus off Europe's hands by dumping it on the American market. The same is true in Japan.

The American market simply will not sustain America's full production and Europe's excess production both at the same time, and never has.

Something had to give, and it is American industry, American working men and women, and American communities that have had to give.

AMERICAN INDUSTRY DEPRIVED OF EQUAL ACCESS TO OWN MARKETS

American industry has had to give because, in the absence of fair and reasonable competitive tariffs or duties based on the difference in wages, taxes, and other production factors, the American workingmen and the American industry has been deprived of equal access and equality of opportunity in their own markets.

The Midwest, like the East, is losing the American market to low-wage competitive foreign products financed by our own tax dollars. We build our own competition with our own money.

A tariff is a tax on imports.

The tax on imports has been reduced for the benefit of low-wage foreigners from 50 to 75 percent, and two-thirds of our imports pay no tax at all.

No such tax cut has been given to Americans by the Federal Government, or by State, county, or city governments, and none could be.

But foreigners shipping their goods to America to compete with American industry and labor, have had a whopping tax cut under the Trade Agreements Act, or pay no tax at all, and legislation is pending in the Congress now to give foreign competition further cuts in tariff taxes ranging from 15 to 50 percent.

We are threatening to go even further. A bill now before Congress—recommended by the President—would give a foreign investor a 14-percent advantage in income tax over a domestic producer. That means a 14-percent advantage if an American investor will invest his money on foreign soil instead of in America.

I contend it is morally wrong to extend privileges to foreign citizens and industries which not only are denied to American citizens and industries, but which American citizens and industries have had to finance and subsidize.

I contend it is likewise unconstitutional under present procedure.

But let me proceed to the record of our distressed areas.

DISTRESSED SIGNALS ALSO UP IN WEST

We have discussed the record east of the Mississippi, and now we cross that mighty river to the west.

In region VII, which includes Iowa, Missouri, and Kansas, we find 7 distressed areas: Burlington, Ottumwa, Iowa; Joplin, St. Joseph, St. Louis, and Springfield, Mo. and Pittsburg, Kans., the latter with more than 12 percent unemployment.

In region VIII, are Fort Smith, Ark., McAlister and Muskogee, Okla., and Texarkana, Ark.-Tex.

In region IX we find only Albuquerque, N. Mex., and in region XI, we have Portland, Oreg., and Tacoma, Wash.

To date these distressed areas west of the Mississippi have been relatively free from the import flood of subsidized low-wage goods from foreign countries, although Tacoma, Wash., I am told, has had to face strong Canadian competition resulting from lowered tariff rates on Canadian products, and high Canadian tariffs or import bars on American products.

FATE OF MANY CITIES AND COMMUNITIES HANGS ON COURT TEST

It would seem to the senior Senator from Nevada, Mr. President, that many of these distressed areas scattered over the United States, these blighted towns and cities in the midst of plenty, and their leaders in government, industry, and labor, should be concerned, if they are not already, in the constitutionality of the Trade Agreements Act.

We are now engaged in attempting to favor some distressed areas in Government contracts, thus creating more distressed areas by moving defense industries from one area to another.

It is the 1934 Trade Agreements Act which has opened the gates to unfair competition by low-wage, low-taxed, foreign goods undercutting American products in our own markets.

It is this act which puts foreign prosperity above America's economy and welfare, foreign jobs ahead of American jobs, foreign investors, businessmen, and brokers above American investors, businessmen, and brokers.

It is also putting foreign industrial communities and areas ahead of American industrial communities and areas.

STATE DEPARTMENT OPERATES GIANT "DISCOUNT HOUSE" FOR FOREIGN TRADERS

Under the Trade Agreements Act the State Department operates a giant international discount house with all the discounts going to the foreigners.

Foreign products were shipped to the United States and brought in with discounts ranging up to 75 percent.

Under H. R. 1 the State Department wants to increase the discount from 15 to 50 percent further.

American business, labor, and industry cannot stand these discounts to foreign competitors. American cities and communities cannot stand these discounts. And in my opinion, Mr. President, these discounts to foreigners are illegal and unconstitutional.

NO AUTHORITY FOR PREFERENTIAL DISCOUNTS TO FOREIGNERS IN CONSTITUTION

Congress, in the first place, has no authority, under the Constitution, to delegate to the State Department powers to grant these preferential discounts to foreigners.

Congress has no authority under the Constitution to transfer its taxing and tariff powers to the executive branch.

Congress has no authority under the Constitution to transfer to the executive branch its commerce powers. Every commodity that comes into the United States is commerce.

Government as a whole has no authority whatsoever, under the Constitution, to deprive any American citizen of his property without due process of law.

Congress did attempt to transfer its taxing power when it enacted the Trade Agreements Act.

Congress did attempt to transfer its commerce powers through the Trade Agreements Act.

And the Government has been and is depriving American citizens of their property and livelihood without due process of law, using the Trade Agreements Act as its weapon.

Mr. President, I should like to bring up one further point before I complete my remarks on this occasion.

The Tariff Act of 1930 is still the act under which we are operating, and the Trade Agreements Act consists merely of an amendment, although a disastrous amendment in my opinion.

H. R. 1, now before the Senate Committee on Finance, is a bill, as it states by its own language, "to extend the authority of the President to enter into trade agreements under section 350 of the Tariff Act of 1930."

The Tariff Act of 1930, as we know, provided for a flexible tariff.

CORDELL HULL'S POSITION ON FLEXIBLE TARIFFS CITED

What did Mr. Cordell Hull, then a member of the Ways and Means Committee, but later to serve as Secretary of State, say about these flexible provisions then? He called them "subversive of the plain functions of Congress." Senators will find his remarks in his minority report on the tariff bill of 1930.

Mr. Hull, then Representative Hull, referred to the bill on another occasion as constituting an "unjustifiable arrogance of power and authority to the President."

And on May 9, 1932, Mr. Hull said in a speech that these provisions virtually vested in the President "supreme taxing power of the Nation, contrary to the plainest and most fundamental provisions of the Constitution."

I repeat: "Contrary to the plainest and most fundamental provisions of the Constitution."

Yet we later find Mr. Cordell Hull approving and administering these same powers vested in the President which, as he stated, are "contrary to the plainest and most fundamental provisions of the Constitution."

VOTE RECORD BY STATES IN HOUSE ON H. R. 1 CITED

Mr. President, only recently the House passed a 3-year extension of the 1934 Trade Agreements Act after considerable debate and a floor fight, to say nothing of the battle which took place in the Ways and Means Committee.

As Senators know, a majority in the House can invoke cloture at any time. That is different from the situation prevailing in the Senate. They won cloture by one vote. Later on, a motion to recommit the bill was lost by a vote of 206 to 199, a difference of 7 votes.

Mr. President, I hold in my hand a record of that vote, by States, and I ask unanimous consent to insert it in the RECORD at this point as a part of my remarks.

There being no objection, the vote, by States, was ordered to be printed in the RECORD, as follows:

H. R. 1—VOTE ON REED RECOMMITTAL MOTION

RECAPITULATION

Total vote: 199 for, 206 against.

How Democrats voted: For, 80, against, 140.

How Republicans voted: For, 199; against, 66.

Paired votes: For, 3 Democrats, 6 Republicans; against, 6 Democrats, 3 Republicans.

THE VOTE BY STATES

Alabama—9 votes

For, 2: George W. Andrews, Democrat; Armistead I. Selden, Jr., Democrat.

Against, 7: Frank W. Boykin, Democrat; George M. Grant, Democrat; George Huddleston, Democrat; Robert E. Jones, Jr., Democrat; Albert Rains, Democrat; Kenneth A. Roberts, Democrat; Carl Elliott, Democrat.

Arizona—2 votes

For, 1: John J. Rhodes, Republican.

Against, 1: Stewart L. Udall, Democrat.

Arkansas—6 votes

For, none.

Against, 6: E. C. Gathings, Democrat; Wilbur D. Mills, Democrat; James W. Trimble, Democrat; Oren Harris, Democrat; Brooks Hays, Democrat; W. F. Norrell, Democrat.

California—30 votes

For, 12: Clair Engle, Democrat; John J. Allen, Jr., Republican; Edgar W. Hiestand, Republican; Craig Hosmer, Republican; Glenard Lipscomb, Republican; Gordon L. McDonough, Republican; John Phillips, Republican; Hubert B. Scudder, Republican; James B. Utt, Republican; Robert C. Wilson, Republican; Charles S. Gubser, Republican.

Against, 18: Clyde Doyle, Democrat; Harlan Hagen, Democrat; Chet Holifield, Democrat; Cecil King, Democrat; George P. Miller, Democrat; John E. Moss, Jr., Democrat; James Roosevelt, Democrat; Harry R. Sheppard, Democrat; B. F. Sisk, Democrat; John F. Baldwin, Republican; Patrick J. Hillings, Republican; Carl Hinshaw, Republican; Joe Holt, Republican; William S. Mailliard, Republican; Charles M. Teague, Republican; J. Arthur Younger, Republican.

Absent but paired for: Leroy Johnson, Republican.

Absent but paired against: John F. Shelley, Democrat; Donald L. Jackson, Republican.

Colorado—4 votes

For, 4: Wayne N. Aspinall, Democrat; Byron G. Rogers, Democrat; J. Edgar Chenoweth, Republican; William S. Hill, Republican.

Against, none.

Connecticut—6 votes

For, 5: Horace Seely-Brown, Democrat; Thomas J. Dodd, Democrat; Albert W. Cretella, Republican; James T. Patterson, Republican; Antoni N. Sadlak, Republican.

Against, 1: Albert P. Morano, Republican.

Delaware—1 vote

For, none.

Against, 1: Harris B. McDowell, Jr., Democrat.

Florida—8 votes

For, 2: James A. Haley, Democrat; Robert L. F. Sikes, Democrat.

Against, 6: Paul G. Rogers, Democrat; Charles E. Bennett, Democrat; Dante B. Fascell, Democrat; A. S. (Syd) Herlong, Jr., Democrat; D. R. (Billy) Matthews, Democrat; William C. Cramer, Republican.

Georgia—10 votes

For, 8: Iris Faircloth Blitch, Democrat; Paul Brown, Democrat; James C. Davis, Democrat; E. L. (Tic) Forrester, Democrat; John J. Flynt, Jr., Democrat; Phil M. Landrum, Democrat; Henderson Lanham, Democrat; J. L. Pilcher, Democrat.

Against, 2: Prince H. Preston, Democrat; Carl Vinson, Democrat.

Idaho—2 votes

For, 2: Gracie Pfost, Democrat; Hamer H. Budge, Republican.

Against: None.

Illinois—25 votes

For, 6: Kenneth J. Gray, Democrat; Richard W. Hoffman, Republican; Noah M. Mason, Republican; William E. McVey, Republican; Chauncey W. Reed, Republican; Charles W. Vursell, Republican.

Against, 19: Barrett O'Hara, Democrat; James C. Murray, Democrat; Thomas J. O'Brien, Democrat; James B. Bowler, Democrat; Thomas S. Gordon, Democrat; Sidney R. Yates, Democrat; Charles A. Boyle, Democrat; Peter F. Mack, Jr., Democrat; Melvin Price, Democrat; Timothy P. Sheehan, Republican; Marguerite Stitt Church, Republican; Leo E. Allen, Republican; Leslie C. Arends, Republican; Harold H. Velde, Republican; Robert B. Chiperfield, Republican; Sid Simpson, Republican; William L. Springer, Republican.

Absent but paired against: William L. Dawson, Democrat; John C. Kluczynski, Democrat.

Indiana—11 votes

For, 4: E. Ross Adair, Republican; John V. Beamer, Republican; William G. Bray, Republican; Ralph Harvey, Republican.

Against, 7: Winfield K. Denton, Democrat; Ray J. Madden, Democrat; Charles B. Brownson, Republican; Shepard J. Crumpacker, Jr., Republican; Charles A. Halleck, Republican; Cecil M. Harden, Republican; Earl Wilson, Republican.

Iowa—8 votes

For, 3: James I. Dolliver, Republican; H. R. Gross, Republican; Ben F. Jensen, Republican.

Against, 4: Paul Cunningham, Republican; Charles B. Hoeven, Republican; Karl M. LeCompte, Republican; Fred Schwengel, Republican.

Absent or not voting, 1: Henry O. Talle, Republican.

Kansas—6 votes

For, 3: Edward H. Rees, Republican; Errett P. Scrivner, Republican; Wint Smith, Republican.

Against, 2: William H. Avery, Republican; Clifford R. Hope, Republican.

Absent or not voting, 1: Myron V. George, Republican.

Kentucky—8 votes

For, 1: Carl D. Perkins, Democrat.

Against, 6: Noble J. Gregory, Democrat; William H. Natcher, Democrat; Frank Chelf, Democrat; John C. Watts, Democrat; John M. Robsion, Jr., Republican.

Absent or not voting, 1: Eugene Siler, Republican.

Absent but paired against: Brent Spence, Democrat.

Louisiana—8 votes

For, 2: T. A. Thompson, Democrat; Edwin E. Willis, Democrat.

Against, 6: Hale Boggs, Democrat; Overton Brooks, Democrat; George S. Long, Democrat; Otto E. Passman, Democrat.

Absent but paired against: F. Edward Hébert, Democrat; James H. Morrison, Democrat.

Maine—3 votes

For, 3: Robert Hale, Republican; Clifford G. McIntire, Republican; Charles P. Nelson, Republican.

Against, none.

Maryland—7 votes

For, 2: James P. S. Devereaux, Republican; DeWitt S. Hyde, Republican.

Against, 5: George H. Fallon, Democrat; Samuel N. Friedel, Democrat; Edward A. Garmatz, Democrat; Richard E. Lankford, Democrat; Edward T. Miller, Republican.

Massachusetts—14 votes

For, 10: Edward P. Boland, Democrat; Philip J. Philbin, Democrat; Harold D. Donohue, Democrat; Thomas J. Lanes, Democrat; Torbert H. Macdonald, Democrat; William H. Bates, Republican; Edith Nourse Rogers, Republican; Donald W. Nicholson, Republican; Laurence Curtis, Republican; Richard B. Wigglesworth, Republican.

Against, 4: John W. McCormack, Democrat; Thomas P. O'Neill, Jr., Democrat; Joseph W. Martin, Jr., Republican; John W. Heselton, Republican.

Michigan—18 votes

For, 8: John B. Bennett, Republican; Elford A. Cederberg, Republican; George A. Dondero, Republican; Victor A. Knox, Republican; August E. Johansen, Republican; George Meader, Republican; Ruth Thompson, Republican.

Against, 9: John D. Dingell, Democrat; Thaddeus M. Machrowicz, Democrat; Don Hayworth, Democrat; Louis C. Rabaut, Democrat; John Lesinski, Jr., Democrat; Martha W. Griffiths, Democrat; Gerald R. Ford, Jr., Republican.

Absent but paired, for: Clare E. Hoffman, Republican.

Absent or not voting, 1: Jesse P. Wolcott, Republican.

Absent but paired against: Charles C. Diggs, Jr., Democrat; Alvin M. Bentley, Republican.

Minnesota—9 votes

For, 3: August H. Andresen, Republican; H. Carl Andersen, Republican; Joseph P. O'Hara, Republican.

Against, 6: Roy W. Wier, Democrat; Eugene J. McCarthy, Democrat; Fred Marshall, Democrat; John A. Blatnik, Democrat; Coya Knutson, Democrat.

Absent but paired against: Walter H. Judd, Republican.

Mississippi—6 votes

For, 2: William M. Colmer, Democrat; John Bell Williams, Democrat.

Against, 4: Thomas G. Abernethy, Democrat; Jamie L. Whitten, Democrat; Frank E. Smith, Democrat; Arthur Winstead, Democrat.

Missouri—11 votes

For, 3: A. S. J. Carnahan, Democrat; Thomas B. Curtis, Republican.

Against, 8: Frank M. Karsten, Democrat; Leonor K. Sullivan, Democrat; George H. Christopher, Democrat; Richard Bolling, Democrat; W. R. Hull, Jr., Democrat; Clarence Cannon, Democrat; Paul C. Jones, Democrat; Morgan M. Moulder, Democrat.

Absent but paired for: Dewey Short, Republican.

Montana—2 votes

For, 2: Lee Metcalf, Democrat; Orvin B. Fjare, Republican.

Against: None.

Nebraska—4 votes

For: None.

Against, 4: Phil Weaver, Republican; Jackson B. Chase, Republican; Robert D. Harrison, Republican; A. L. Miller, Republican.

Nevada—1 vote

Absent or not voting, 1: Clifton Young, Republican.

New Hampshire—2 votes

For, 1: Chester E. Merrow, Republican.

Against, 1: Perkins Bass, Republican.

New Jersey—14 votes

For, 8: Alfred D. Sieminski, Democrat; T. James Tumulty, Democrat; Charles A. Wolverton, Republican; T. Millet Hand, Republican; James C. Auchincloss, Republican; William B. Widnall, Republican, Gordon Canfield, Republican; Frank C. Osmers, Jr., Republican.

Against, 6: Frank Thompson, Jr., Democrat; Harrison A. Williams, Jr., Democrat; Peter W. Rodino, Jr., Democrat; Hugh J. Addonizio, Democrat; Peter Frelinghuysen, Jr., Republican; Robert W. Kean, Republican.

New Mexico—2 votes

For, 1: Antonio M. Fernandez, Democrat.

Against: None.

Absent but paired for: John J. Dempsey, Democrat.

New York—43 votes

For, 15: Leo W. O'Brien, Democrat; Frank J. Becker, Republican; Henry J. Latham, Republican; Albert H. Bosch, Republican; John H. Ray, Republican; Paul A. Fino, Republican; Ralph W. Gwinn, Republican; Dean P. Taylor, Republican; Bernard W. Kearney, Republican; William R. Williams, Republican; R. Walter Riehlman, Republican; John Taber, Republican; William E. Miller, Republican; Daniel A. Reed, Republican.

Against, 27: Lester Holtzman, Democrat; James J. Delaney, Democrat; Victor L. Anfuso, Democrat; Eugene J. Keogh, Democrat; Edna F. Kelly, Democrat; Emanuel Celler, Democrat; Abraham J. Multer, Democrat; John J. Rooney, Democrat; Adams Clayton Powell, Jr., Democrat; James G. Donovan, Democrat; Arthur G. Klein, Democrat; Irwin D. Davidson, Democrat; Herbert Zelenko, Democrat; Sidney A. Fine, Democrat; Isidore Dollinger, Democrat; Charles A. Buckley, Democrat; Stuyvesant Wainwright, Republican, Steven B. Derounian, Republican; Francis E. Dorn, Republican; Frederic R. Coudert, Jr., Republican; Ralph A. Gamble, Republican; Katharine St. George, Republican; J. Ernest Wharton, Republican; Clarence E. Kilburn, Republican; Kenneth B. Keating, Republican; Harold C. Ostertag, Republican; John R. Pillion, Republican.

Absent but paired for: W. Sterling Cole, Republican.

Absent or not voting, 1: Edmund P. Radwan, Republican.

North Carolina—12 votes

For, 7: Graham A. Barden, Democrat; Carl T. Durham, Democrat; F. Ertel Carlyle, Democrat; Hugh Q. Alexander, Democrat; Woodrow W. Jones, Democrat; George A. Shuford, Democrat; Charles Raper Jonas, Republican.

Against, 5: Herbert C. Bonner, Democrat; L. H. Fountain, Democrat; Harold D. Cooley, Democrat; Thurmond Chatham, Democrat; Charles B. Deane, Democrat.

North Dakota—2 votes

For, 1: Usher L. Burdick, Republican.

Against, 1: Otto Krueger, Republican.

Ohio—23 votes

For, 12: Wayne L. Hays, Democrat; Gordon H. Scherer, Republican; Paul F. Schenck, Republican; William M. McCulloch, Republican; Clarence J. Brown, Republican; Jackson E. Betts, Republican; Thomas A. Jenkins, Republican; A. D. Baumhart, Jr., Republican; John E. Henderson, Republican; Frank T. Bow, Republican.

Against, 9: James G. Polk, Democrat; Thomas L. Ashley, Democrat; Michael J. Kirwan, Democrat; Michael A. Feighan, Democrat; Charles A. Vanik, Democrat; Frances P. Bolton, Republican; John M. Vorys, Republican; William H. Ayres, Republican; William E. Minshall, Republican.

Absent but paired for: William E. Hess, Republican; Oliver P. Bolton, Republican.

Absent or not voting, 2: J. Harry McGregor, Republican; Cliff Clevenger, Republican.

Oklahoma—6 votes

For, 5: Ed Edmondson, Democrat; John Jarman, Democrat; Victor Wickersham, Democrat; Page Belcher, Republican.

Against, 1: Carl Albert, Democrat.

Absent but paired for: Tom Steed, Democrat.

Oregon—4 votes

For, 2: Sam Coon, Republican; Harris Ellsworth, Republican.

Against, 2: Walter Norblad, Republican; Edith Green, Republican.

Pennsylvania—30 votes

For, 22: William A. Barrett, Democrat, William T. Granahan, Democrat; James A. Byrne, Democrat; Earl Chudoff, Democrat; William J. Green, Jr., Democrat; Daniel J. Flood, Democrat; Francis E. Walter, Democrat; James M. Quigley, Democrat; Augustine B. Kelley, Democrat; Thomas E. Morgan, Democrat; Benjamin F. James, Republican; Joseph L. Carrigg, Republican; Ivor D. Fenton, Republican; Samuel K. McConnell, Jr., Republican; Walter M. Mumma, Republican; Alvin R. Bush, Republican; Richard M. Simpson, Republican; James E. Van Zandt, Republican; John P. Saylor, Republican; Leon H. Gavin, Republican; Carroll D. Kearns, Republican; Robert J. Corbett, Republican.

Against, 7: Frank M. Clark, Democrat; Vera Buchanan, Democrat; George M. Rhodes, Democrat; Hugh D. Scott, Jr., Republican; Karl C. King, Republican; Paul B. Dague, Republican; James G. Fulton, Republican.

Absent or not voting, 1: Herman P. Eberharter, Democrat.

Rhode Island—2 votes

For, 2: Aime J. Forand, Democrat; John E. Fogarty, Democrat.

Against: None.

South Carolina—6 votes

For, 5: L. Mendel Rivers, Democrat; W. J. Bryan Dorn, Democrat; Robert T. Ashmore, Democrat; James P. Richards, Democrat.

Against, 1: John L. McMillan, Democrat.

Absent but paired for: John J. Riley, Democrat.

South Dakota—2 votes

For, 1: E. Y. Berry, Republican.

Against, 1: Harold O. Lovre, Republican.

Tennessee—9 votes

For, 2: B. Carroll Reece, Republican; Howard H. Baker, Republican.

Against, 6: James B. Frazier, Jr., Democrat; Joe L. Evins, Democrat; J. Percy Priest, Democrat; Ross Bass, Democrat; Tom Murray, Democrat; Jere Cooper, Democrat.

Absent or not voting, 1: Clarence Davis, Democrat.

Texas—22 votes

For, 11: Brady Gentry, Democrat; Olin E. Teague, Democrat; John Dowdy, Democrat; Jim Wright, Democrat; John J. Bell, Democrat; J. T. Rutherford, Democrat; Walter Rogers, Democrat; Paul J. Kilday, Democrat; O. C. Fisher, Democrat; Martin Dies, Democrat; Bruce Alger, Republican.

Against, 10: Wright Patman, Democrat; Jack B. Brooks, Democrat; Albert Thomas, Democrat; Clark W. Thompson, Democrat; Homer Thornberry, Democrat; W. R. Poage, Democrat; Frank Ikard, Democrat; Joe M. Kilgore, Democrat; Omar Burleson, Democrat; George Mahon, Democrat.

Not voting, 1: Sam Rayburn, Democrat.

Utah—2 votes

For, 2: Henry Aldous Dixon Republican; William A. Dawson, Republican.

Against: None.

Vermont—1 vote

For, 1: Winston L. Prouty, Republican.

Against: None.

Virginia—10 votes

For, 5: Edward J. Robeson, Jr., Democrat; Watkins M. Abbitt, Democrat; William M.

Tuck, Democrat; W. Pat Jennings, Democrat; Richard H. Poff, Republican,

Against, 5: Porter Hardy, Jr., Democrat; J. Vaughan Gary, Democrat; Burr P. Harrison, Democrat; Howard W. Smith, Democrat; Joel T. Broyhill, Republican.

Washington—7 votes

For, 3: Russell V. Mack, Republican; Walt Horan, Republican; Thor C. Tollefson, Republican.

Against, 4: Thomas M. Pelly, Republican; Jack Westland, Republican, Hal Holmes, Republican; Don Magnuson, Democrat.

West Virginia—6 votes

For, 6: Robert H. Mollohan, Democrat; Harley O. Staggers, Democrat; Cleveland M. Bailey, Democrat; M. G. Burnside, Democrat; Elizabeth Kee, Democrat; Robert C. Byrd, Democrat.

Against: None.

Wisconsin—10 votes

For, 6: Glenn R. Davis, Republican; Gardner R. Withrow, Republican; William K. Van Pelt, Republican; Melvin R. Laird, Republican; John W. Byrnes, Republican; Alvin E. O'Konski, Republican.

Against, 3: Clement J. Zablocki, Democrat; Henry S. Reuss, Democrat; Lester R. Johnson, Democrat.

Absent or not voting, 1: Lawrence H. Smith, Republican.

Wyoming—1 vote

For, 1: E. Keith Thomson, Republican.

Against: None.

HISTORY OF ACT REVIEWED

Mr. MALONE. Mr. President, to set forth in a clear manner the situation as it exists at this time, I would say that the act was passed as an emergency measure. At the end of each 3-year period it was extended, without material change, until 1951, when we were able to cut the extension to 2 years, in 1953 to 1 year, and in 1954 to 1 year. It is now before the Congress for another extension. If the act is not extended, then 1 minute after midnight on June 12 the regulation of foreign commerce and the fixing of duties, tariffs, and import fees will revert to the Tariff Commisssion, which is an agency of the Congress.

Whenever there is a trade agreement in existence, it remains in full force and effect until or unless the President shall serve notice on the particular country with which the tariff agreement has been made that it will be canceled, and then, within 6 months, the question of determining the duties will revert to the Tariff Commission. The Tariff Commission will then operate just as it has always operated in fixing duties and imposts, now called tariffs; and there will come into play particularly section 336 of the 1930 Tariff Act, which was passed as Public Law No. 361, to provide revenue, regulate commerce with foreign countries, to encourage the industries of the United States, to protect American labor, and for other purposes. That act was approved by the President of the United States on June 17, 1930.

REFUSAL TO EXTEND 1934 ACT WOULD GIVE PRODUCERS THEIR "DAY IN COURT"

Section 336 provides, in effect, that upon the request of the President, either House of Congress upon its own motion, or upon the application of any producer, can review the tariff rates prescribed in the act of 1930. They are flexible duties or tariffs, Mr. President. The law of 1930 provides that determination shall be made of the difference between the cost of production of the domestic article and the like or similar foreign article when produced in the principal competing country; and the Commission shall specify in its report such increases or decreases in rates of duty expressly fixed by statute, including any necessary change in classification as is found by investigation to be necessary to equalize such differences.

In other words, under a flexible tariff system, there would be a reversion to fair and reasonable competition. Equal access to the American markets would be given to foreign nations; but also equal access to their own markets would be given to American workingmen, investors, and producers.

So if the Trade Agreements Act shall not be extended beyond June 12, then, as I have already said, the regulation of tariffs will revert to the Tariff Commission, under the conditions outlined.

COURT DECISION TRADE ACT UNCONSTITUTIONAL WOULD STOP BARTERING AWAY ECONOMY AT GENEVA

If, as a result of the suit filed today in the United States District Court for the District of Columbia, the act shall be declared unconstitutional, as I truly believe it will be, then none of the trade agreements will have any force or effect; they will be illegal.

I call attention specifically to the fact that all the meanderings at Geneva, in the State Department, and in the United Nations to create additional organizations to divide the markets of the United States with the nations of the world, so as to bring about one economic world, will fall of their own weight if the present Trade Agreements Act shall be declared unconstitutional or shall not be extended.

"RECIPROCAL" LABEL ON TRADE ACT FALSE

From the beginning, the excuse given in seeking this act and the illegal transfer of legislative power to the Executive, the President, who in turn has transferred it to the State Department, has been that we must buy friendship; we must buy allies.

Mr. President, since the act was first named a reciprocal trade act by London bankers, our State Department has continually mouthed the phrase "reciprocal trade." But I call attention to the fact that that phrase does not occur in the act. No such phrase or word occurs in the act. The act is not reciprocal, never was intended to be, and does not work out that way.

"DOLLAR SHORTAGE" HOAX EXPOSED

This is similar to the expression "dollar shortage," which was created at the same source in London. There is one way in which an individual can have a dollar shortage, and that is to spend each year more than he makes. That causes a dollar shortage for him. But there are two ways in which a nation can have a dollar shortage. The first is, if it spends each year more than it receives; the other is if it fixes the price of its currency above the market price of the world. Then it will have a dollar shortage which no one will make good except a silly Congress. Yet while we question these phrases, these catch words, that sell us a bill of goods, we still go forth preaching the gospel that there is a dollar shortage and we must have so-called reciprocal trade.

Then along came the slogan, "Trade, not aid." That phrase came out of the same feed basket. Mr. Butler, the British Chancellor of the Exchequer, coined the phrase "Trade, not aid." The senior Senator from Nevada pinned it on him a week or two after he had coined it in 1952. Mr. Butler is proud of it. He now comes to the United States and brags that "Trade, not aid" is his phrase.

Mr. President, I say let us return to the Constitution of the United States and the Bill of Rights, which Washington, Franklin, and Lincoln knew and honored.

INCREASE IN SALARIES OF JUSTICES AND JUDGES OF UNITED STATES COURTS AND MEMBERS OF CONGRESS—CONFERENCE REPORT

During the delivery of Mr. MALONE'S speech,

Mr. KEFAUVER. Mr. President, will the distinguished Senator from Nevada yield?

Mr. MALONE. For what purpose?

Mr. KEFAUVER. For the purpose of calling up a conference report, with the understanding that the proceedings in connection therewith will be printed following the remarks of the Senator from Nevada.

Mr. MALONE. May I ask the distinguished Senator from Tennessee the length of time that will be required?

Mr. KEFAUVER. I do not think it should take long. It would be necessary to develop a quorum.

Mr. MALONE. The Senator from Nevada will conclude his remarks within a reasonable time. It is now only 10 minutes of 2. I should much prefer having the Senator from Tennessee delay the action he proposes until I have finished. The matter he wishes to take up is very important, and the proceedings may cause a debate which will last some time. I respectfully ask the distinguished Senator from Tennessee if he will delay his request until I have finished.

Mr. KEFAUVER. Can the Senator from Nevada estimate the length of time he intends to continue speaking?

Mr. MALONE. About 20 or 25 minutes, I should think.

Mr. KEFAUVER. If the Senator from Nevada finds that he will require more than that amount of time, will he permit me to interrupt him, to bring up the conference report?

Mr. MALONE. I shall discuss the matter with the Senator again.

Mr. KEFAUVER. Very well.

Mr. MALONE. Mr. President, I ask unanimous consent that this discussion follow my speech.

The PRESIDING OFFICER (Mr. MCNAMARA in the chair). Without objection, it is so ordered.

During the delivery of Mr. MALONE'S speech,

Mr. CLEMENTS. Mr. President, will the Senator from Nevada yield?

Mr. MALONE. I am happy to yield for a question, Mr. President.

Mr. CLEMENTS. I am asking the Senator from Nevada to yield, but not for a question, with the understanding that, in doing so, he will not lose his right to the floor.

Mr. MALONE. Certainly.

Mr. CLEMENTS. Mr. President, will the Senator from Nevada yield, so that the Senate may take up the conference report on the so-called salary bill, with the understanding that there will be a quorum call, solely for the purpose of alerting the membership that some such matter is about to come up on the floor; that the quorum call will be called off very shortly; and that then a brief explanation may be made by two members of the conferees on the part of the Senate who have taken a leading part in the conference?

Mr. MALONE. Mr. President, I shall be happy to yield for that purpose to the distinguished Senator from Kentucky, the acting majority leader, with the understanding, however, that if there is any extended debate, it will be called off, and I may resume my speech.

Mr. CLEMENTS. Mr. President, I request such consent on that basis with the further understanding that debate dealing with the salary bill, shall appear at the conclusion of the remarks of the Senator from Nevada.

Mr. MALONE. I thank the Senator from Kentucky.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request propounded by the Senator from Kentucky? The Chair hears none. Without objection, it is so ordered.

Mr. CLEMENTS. Then, Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. CLEMENTS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. NEUBERGER in the chair). Without objection, it is so ordered.

Mr. KEFAUVER. Mr. President, I submit a report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 3828) to adjust the salaries of judges of United States courts, United States attorneys, Members of Congress, and for other purposes. I ask unanimous consent for the present consideration of the report.

The PRESIDING OFFICER. The report will be read for the information of the Senate.

The legislative clerk read the report.

(For conference report, see House proceedings for today.)

The PRESIDING OFFICER. Is there objection to the present consideration of the conference report?

There being no objection, the Senate proceeded to consider the report.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

Mr. KEFAUVER. Mr. President, I wish to make a brief explanation of what is contained in the conference report.

Senators may recall that last Friday the conference report was rejected by the Senate, and by an overwhelming vote, the Senate adopted a motion to instruct the Senate conferees to insist upon their disagreement with respect to the so-called office expense allowance item which was contained in section 4B. That was the provision under which, upon itemized certification, reimbursement would be made for necessary office expense incurred by a Member of Congress.

The conferees met again today, and followed the wish of the Senate by striking out the allowance for necessary office expense.

The House conferees insisted that if that item were to be stricken out, and no expense allowance were to be provided, and no salary increase were to be authorized, over and above $22,500, they would not go along with section 5 of the conference report agreed upon and submitted last Friday.

Section 5 provides for the actual expenses of five additional trips each year by Members of Congress returning to their States or districts.

There seemed to be no alternative except to agree with the House on this item, inasmuch as we were not in a position to make any adjustment with respect to the other section, so the conference committee has unanimously agreed to strike out the necessary office expense allowance; to insert the repealer of section 601 (b) of the Legislative Reorganization Act, which is the one which contains the $2,500 allowance; and to strike out section 5, which is the section providing for trips home.

We are sorry that this is necessary. Not very much question had been raised with respect to the proposition that, in connection with necessary trips home, the actual expenses—not 20 cents a mile, but the actual expense of transportation—should be paid. However, the House conferees refused to go along with that proposal, in view of our refusal to go along with the other sections.

So as the matter now stands, the conference report provides for a plain salary increase, up to the amount of $22,500, and nothing else so far as Members of Congress are concerned.

No changes were made in the conference report with respect to members of the judiciary. No changes were made so far as district attorneys or other items are concerned.

Mr. CASE of South Dakota. Mr. President, will the Senator yield for a question?

Mr. KEFAUVER. I yield to the Senator from South Dakota.

Mr. CASE of South Dakota. I did not quite catch the significance of what the Senator said about striking out a repealer. What is the repealer that is to be stricken out?

Mr. KEFAUVER. No. I said that the repealer was restored to the bill. I refer to the section of the Senate bill which repealed section 601 (b) of the Legislative Reorganization Act, section 601 (b) being the section providing for the $2,500 expense allowance. The original Senate bill repealed that section. It was rewritten in the first conference. Now the repealer is placed back in the bill, so that the $2,500 item is repealed.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

The report was agreed to.

Mr. CLEMENTS. I thank the Senator from Nevada [Mr. MALONE] for relinquishing enough time to consider this conference report.

AUTHORIZATION FOR PRESIDENT PRO TEMPORE TO SIGN ENROLLED BILL

During the delivery of Mr. MALONE's speech,

Mr. CLEMENTS. Mr. President, will the Senator from Nevada yield for one or two unanimous-consent requests? I assure the Senator that I am not rising to provoke any lengthy discussion, but only to submit one or two unanimous-consent requests.

Mr. MALONE. I am always glad to yield to the distinguished Senator from Kentucky. He may have all the time he desires. I understand his method of doing business.

Mr. CLEMENTS. Mr. President, I ask unanimous consent that the Senator from Nevada may yield to me without losing his right to the floor, and that any request I make may appear following the speech now being delivered by the distinguished Senator from Nevada.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CLEMENTS. I ask unanimous consent that the President pro tempore be authorized, during the adjournment following today's session, to sign the enrolled bill, H. R. 3828, the conference report on which was agreed to in the Senate today, and is now pending before the House.

The PRESIDING OFFICER. Without objection, it is so ordered.

AUTHORIZATION FOR FINANCE COMMITTEE TO FILE REPORTS

Mr. CLEMENTS. Mr. President, I ask unanimous consent that the Committee on Finance be authorized, during the adjournment of the Senate following today's session, to file such reports as the committee may wish to file.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CLEMENTS. I thank my friend from Nevada [Mr. MALONE] for yielding to me.

PUBLIC RELATIONS SKILL AND "PUBLIC BE DAMNED" PROGRAM OF THE NATURAL GAS INDUSTRY

Mr. DOUGLAS. Mr. President, I desire to pay a brief tribute to the great public-relations skill—and public-be-damned program—of the natural gas industry.

The latest proof of this is the gold mine they have just persuaded a special Cabinet Committee on Energy Supplies and Resources Policy to give them.

According to a White House release of February 26, this Cabinet Committee is

recommending the exemption from Federal regulation of the interstate gas sales by nontransporting producers. A free hand to charge all that the traffic will bear would, of course, be the result of any such legislation.

This bonanza for the oil and gas industry, which it is estimated would cost the gas consumers of America at least a cool $200 to $400 million a year in exorbitant prices, is the first and presumably the most important of the Cabinet Committee's recommendations.

The artistry of the gas industry's work is seen most clearly in the phrasing of the recommendation, which piously asserts it is for "the protection of the national defense and consumer interests." The Cabinet Committee was thus persuaded to revert to the lordly theme—once discredited as enunciated by one of its members, the Secretary of Defense—that "what's good for the gas industry is good for the country." No matter what it does to the 60 million users of gas.

Let it not be said that this triumph was won without careful planning. According to releases issued by the Office of Defense Mobilization in September and October 1954, a task force of 4 persons was set up to advise the Cabinet Committee; and 7 consultants were appointed, to advise the task force on technical matters.

GAS AND OIL INDUSTRY WELL REPRESENTED ON TASK FORCE

The task force member who was made responsible for their oil and gas studies, according to the report, was a banker who happened also to be a former president of an oil company and of the Independent Petroleum Association of America, as well as a leader of the American Petroleum Institute. Another task force member was from the coal industry, which has for many years urged higher gas prices. The other two task force members had no known experience in rate-regulatory matters or consumer protections.

The seven technical consultants were all from the oil and gas industry. This was batting 1,000 percent, which would rate top honors in any league, and liaison with the official propaganda drive of the industry was made easier by having as 1 of the 7 consultants the assistant to the chairman of the board of the oil company whose president is heading that drive for exemption from reasonable regulation.

PUBLIC AND CONSUMER INTERESTS INADEQUATELY CONSULTED

Not only were the personnel of the task force and its consultants chosen in a way to give a heavy balance to the gas industry interests but the procedures seemed also set to exclude any adequate representation of consumer or public considerations. Despite my own efforts after the election last November to point out to the earnest and genial Director of the Office of Defense Mobilization, Mr. Arthur S. Flemming, the skillful maneuver that was taking place under his scholarly nose, I have seen no evidence that the public or consumer interest experts I recommended were consulted by even so much as an invitation to submit their views.

Mr. President, so that the background of this Cabinet committee's work may be seen in perspective and the success of the gas industry's drive on the Cabinet may be fully appreciated, I ask unanimous consent to have printed at this point in the RECORD an exchange of correspondence with the Honorable Arthur S. Flemming concerning the makeup of that task force:

There being no objection, the correspondence was ordered to be printed in the RECORD, as follows:

CORRESPONDENCE BETWEEN SEANTOR PAUL H. DOUGLAS AND HON. ARTHUR H. FLEMING

NOVEMBER 30, 1954.

Hon. ARTHUR S. FLEMMING,
Director, Office of Defense Mobilization, General Accounting Office Building, Washington, D. C.

DEAR MR. FLEMMING: Now that the distractions of the recent election campaign are past, I should like to raise with you a basic question about the recently appointed task force of the Cabinet Committee on Energy Supplies and Resources Policy.

My question is this: Has any effort been made in establishing this task force and selecting the consultants for it, to give the representatives of the public interest a preponderant voice and representatives of the consumer interest a voice at least equal in numbers and experience to that of the producing and transporting groups?

Frequent reports in the financial press and in trade journals make it clear that there will be a determined drive in the new Congress for legislation to exempt the nontransporting producers of gas from all regulation by the Federal Power Commission. This drive, if successful, can mean a difference of tens, and in the long run hundreds, of millions of dollars to consumers of gas.

Without arguing the merits of that question here, I am nevertheless disturbed to note that 2 of the 4 members of the task force mentioned above and all 7 of its consultants have had close relations with oil, gas, and coal companies whose trade associations have been among the most vigorous advocates of this exemption legislation. One of the task force members, I am informed, is a former leader of the American Petroleum Institute and former president of the Independent Petroleum Association of America. These are all quite legitimate interests, but I do not know why the advice to the Cabinet should not come from a more balanced group.

If the two task force members who apparently have no connection with the industry have any experience in dealing with the regulatory problems or with the complex requirements for protecting consumers against exorbitant rates, it is not evident in the publicity I have seen about them.

If a balanced recommendation is desired from this task force, it is difficult to understand why representatives of distributors, consumers, or regulatory bodies were not included, at least among the consultants. Persons like James F. Oates, of the People's Gas, Light & Coke Co., of Chicago; Thomas C. Buchanan, of Beaver, Pa., former Chairman of the Federal Power Commission; Charles S. Rhyne, of the National Institute of Municipal Law Officers; Martin T. Bennett, engineer, of Washington, D. C., formerly with Wisconsin and New York regulatory agencies, and many others could have contributed a different and an experienced point of view.

I note that a generalized invitation to submit views has gone out to the industry and to State regulatory bodies—by way of press release, I assume. Would it not be desirable, in view of the industry-weighted nature of the personnel, for you to persuade this task force to make a special effort to secure presentations from public and consumer representatives such as I have mentioned? Can the Cabinet or the Congress give much weight to the task force's findings unless this is done?

I hope to learn that you have anticipated this inquiry and on the basis of your own sensitive regard for the public interest have already taken steps along the lines I have suggested.

I know that in the interest of our security we must, as a Nation, have these great resources available in abundance. But I am also convinced that we can do this without yielding to the gathering industry pressure to let them charge all that the traffic will bear.

With kindest regards,
Faithfully yours,

PAUL H. DOUGLAS.

EXECUTIVE OFFICE OF THE PRESIDENT,
OFFICE OF DEFENSE MOBILIZATION,
Washington, December 13, 1954.

Hon. PAUL DOUGLAS,
United States Senate,
Washington, D. C.

DEAR SENATOR DOUGLAS: I very much appreciate your thoughtful letter of November 30 in which you discussed the membership of the task force of the Cabinet Committee on Energy Supplies and Resources Policy.

As you know, this group is composed of the following: James F. Brownlee, a general partner of J. H. Whitney & Co., who has served as chairman; J. Ed Warren, a vice president of the National City Bank, who was responsible for the oil and gas studies; Charles J. Potter, president of the Rochester & Pittsburgh Coal Co., in charge of the coal aspects of the task force studies; and retired Federal Judge Robert N. Wilkin. Neither Mr. Brownlee nor Judge Wilkin has any connection with industries concerned in these studies. In my opinion, both of these gentlemen represent the interest of the general public. Messrs. Warren and Potter were selected because of their special familiarity with the problems of the oil and gas and coal industries, respectively. On many issues the positions of these industries are widely divergent in character. It cannot be said, therefore, that the "industry members" represented a single bloc. As a practical matter, therefore, the representatives of the public interest did have a preponderent voice in the deliberations of the task force.

You call attention to the number of consultants from the oil, coal and gas industries. While these men were chosen from the ranks of oil, gas and coal companies, their services on the task force were strictly technical in nature. They had no part in the development of policy recommendations.

In order to achieve the widest possible dissemination of our request that industry and state regulatory bodies submit views to the task force, a suitable announcement was made via the public press. The alternative to such a course of action would involve the process of selecting those groups whose views should be sought. Within the time allotted it was not possible to do this, and if there were time, we would have no assurance that all specific interests were contacted.

Because the response to the initial newspaper story was not completely satisfactory, on November 2, I sent a wire to the Governors of a number of States, the mayors of several cities, and the chairman of several public-service organizations. In this wire I specifically solicited the views of those groups from whom response had not previously been received.

I consider it important to keep in mind the fact that the task force to which you refer makes its report to the members of the Cabinet Committee. The Cabinet members themselves, as public servants, have the ultimate responsibility for evaluating the material submitted to them and reaching

their own decision as to the report which will be made to the President.

If there is any further information with which I can provide you, I hope you will not hesitate to call upon me.

Sincerely yours,

ARTHUR S. FLEMMING,
Director.

JANUARY 14, 1955.

The Honorable ARTHUR S. FLEMMING,
Director, Office of Defense Mobilization,
General Accounting Office Building,
Washington, D. C.

DEAR MR. FLEMMING: Thank you for your response to my letter of November 30 concerning the unbalanced composition of the task force of the Cabinet Committee on Energy Supplies and Resources Policy and its consultant group. I found your letter on my return from a brief holiday, and I want to comment quite frankly on it.

Unfortunately the facts reported in your reply give little or no assurance that consumer interests will be adequately represented or protected in the work of this task force.

There is no evidence that the investment banking and judicial experience of the members you cite as public representatives has especially equipped them as consumer defenders on a complex regulatory issue, no matter how highly we may regard their general ability and character.

And while you refer to the divergent views of the coal industry and the oil and gas industry on many issues, they have long seen eye to eye on the precise legislative issues I mentioned—the question of exempting from reasonable regulation the sales in interstate commerce of nontransporting gas producers. It would be a miracle, therefore, if the 2 industry members on the task force, with their 7 consultants all drawn from the oil and gas industry, did not present what you term a "single bloc" on this 1 vital question.

That the industry regards this question as important must be clear to you from the series of reports culminating in the Wall Street Journal story this past Wednesday announcing a $1½ million propaganda drive to sell the exemption bill to the country. I note in passing that the chairman of the industry committee running this drive is the president of an oil company which has supplied the task force with one of its seven consultants. I am enclosing a copy of that newspaper story for your information on this issue.

I realize that the work of the Cabinet Committee's task force is probably nearing completion so that my earlier suggestions of ways to assure greater consumer representation cannot be utilized. I can only hope that the governors and mayors whom you invited to send their views included consumer-minded leaders familiar with the complexities and the propaganda currents in this controversy.

Because of the lack of balance in the composition of your task force, however, and in view of the mounting industry drive to be allowed to charge all that the traffic will bear, I frankly believe there is an urgent need for those in leading administrative posts to make sure that the task force's report does not become the instrument for advancing the gas producers' interests in higher prices at the expense of the country's consumers.

Faithfully,

PAUL H. DOUGLAS.

EXECUTIVE OFFICE
OF THE PRESIDENT,
OFFICE OF DEFENSE MOBILIZATION,
Washington, D. C., January 26, 1955.

Hon. PAUL H. DOUGLAS,
United States Senate,
Washington, D. C.

DEAR SENATOR DOUGLAS: I appreciated very much receiving your letter of January 14. I know that we are dealing with a very difficult and complex issue and I can assure you that we will endeavor to arrive at a result that will prove beneficial to the entire country.

I am indeed grateful to you for the interest that you have taken in this matter.

Very sincerely and cordially yours,

ARTHUR S. FLEMMING,
Director.

TIMING OF CABINET COMMITTEE'S REPORT ALSO AIDS GAS INDUSTRY LEGISLATIVE DRIVE

Mr. DOUGLAS. Mr. President, the timing of the release of the Cabinet committee's report, as well as its contents, shows the effectiveness of the gas industry's work. Governors, State legislatures, economic groups, and others were being enlisted in the campaign to free the interstate sellers of gas from restriction to reasonable profits and fair prices. The Oil and Gas Journal for February 14, 1955, disclosed that the legislative drive was to be kicked off with the Cabinet committee's report. But this journal added a warning:

The snail's pace of the Cabinet resources committee threatens the chances of legislation this year to free independent natural-gas producers from Federal Power Commission control.

I ask unanimous consent to have printed at this point in the RECORD fuller extracts from the report in the Oil and Gas Journal for February 14, 1955.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

GAS BILL IN CONGRESS—TEXAN'S PROPOSAL IS FIRST TO VOID FPC CONTROL OF GAS

WASHINGTON.—The first bill to cancel the Supreme Court ruling in the Phillips case has been introduced in Congress.

The bill, written by Representative WALTER ROGERS, of Texas, would exempt independent producers of natural gas from Federal Power Commission control. A large number of similar bills is expected to be offered by Congressmen from the producing States.

The oil and gas industry will support any bill freeing producers from regulation. But it will put its effort behind a bill which Representative J. PERCY PRIEST, of Tennessee, chairman of the House Interstate Commerce Committee, is expected to sponsor. PRIEST plans to write his bill when the report of the Cabinet Energy Resources Committee is made public.

Industry bill: The industry-backed bill is expected to call for the exemption of all gas production, pipeline-owned as well as independent (see Watching Washington).

The big question is whether Congress will pass a bill voiding FPC control over the price of gas produced by pipeline companies. But industry men who are working on the bill think that is a matter for Congress to decide. The bill they propose would put all production on an equal footing.

The timetable for the legislation is still uncertain. It is hoped the Cabinet Committee report will be made public soon. But there has been no indication that agreement has been reached on its recommendations.

Once his bill is ready, PRIEST plans to hold prompt hearings. His committee hasn't yet written a schedule for the bills it will consider and it will be able to make a quick start on the gas measure if it is introduced this month.

Quick action on the House side is necessary if the bill is to become law this year. The Senate Interstate Commerce Committee won't take the matter up until a bill is sent over from the House. If the bill takes too long getting there it may run into a logjam that would be hard to deal with.

WATCHING WASHINGTON—DELAY THREATENS GAS BILL

The snail's pace of the Cabinet resources committee threatens the chances of legislation this year to free independent natural-gas producers from Federal Power Commission control.

Strategy of the gas industry group is to present its bill in Congress after the committee makes its recommendations. The committee is expected to favor exemption of independent producers. This would be a big boost for the measure.

But if the committee's report doesn't reach Congress in the near future, it will be difficult to hold lengthy hearings and get action on the bill by midsummer, before Congress adjourns.

It will require time to get the bill through. Long hearings are in prospect on both sides of the Capitol. Chairman J. PERCY PRIEST of the House Commerce Committee plans to get into hearings quickly once he has a bill to work on. How fast the corresponding Senate committee will handle it is less certain.

A point on which the bill may stand or fall is that of exempting the production of the pipeline companies as well as the independent producers. If the companies are included, the consuming areas will fight the measure even more bitterly. If they are not included, the pipelines aren't likely to give much support.

More to the point, the exemption of pipeline companies would meet with opposition from Congressmen who otherwise might vote for the bill. The 1950 bill, vetoed by Truman, started out with an overall exemption but it was found necessary to drop the pipelines to get support. Even then the bill passed by only a few votes in each House.

Mr. DOUGLAS. So on February 26, as if to oblige, the White House released the report. And now, I presume, we shall begin to see the culmination of the drive with stepped-up legislative action, more newspaper ads, high-powered TV programs, resolutions from innocent groups who have not had a chance to see how they will suffer in higher gas rates, and all the other paraphernalia of a skillful effort to create an apparent public opinion in favor of another gigantic giveaway.

GAS INDUSTRY'S STACKED DECK IS SHOWING

So, Mr. President, while I congratulate the gas industry on their success in the Cabinet Committee, I must observe that their stacked deck is showing. And I am hopeful that the Members of Congress who see through all this artful window dressing will still determine our national policy on the basis of what is needed for the benefit of the people of the country, and not merely what will deliver a new and larger bonanza—at great expense to consumers—to an oil and gas industry which I think is already doing rather well.

Mr. President, I also ask unanimous consent to have printed in the RECORD, as a part of my remarks, background information which I have prepared dealing with the proposed amendment of the Natural Gas Act, which answers some of the questions raised and some of the arguments advanced in support of the amendment.

There being no objection, the document was ordered to be printed in the RECORD, as follows:

BACKGROUND INFORMATION ON PROPOSED AMENDMENT OF NATURAL GAS ACT, 1955

1. Who is proposing amending the Natural Gas Act?

The so-called independent producers of natural gas are continuing their efforts to escape reasonable regulation of the prices charged for the natural gas they sell in interstate commerce for ultimate public consumption. Ever since the Natural Gas Act was passed in 1938, these producers have avoided regulation through litigation, legislative efforts and, in some instances, through appointments to the Federal Power Commission. The produoers have had bills to remove themselves from Federal regulation in every Congress starting with the 80th. They would have succeeded in the 81st Congress had not President Truman vetoed the Kerr bill. Following the decision of the Supreme Court on June 7, 1954, in the Phillips Petroleum case, the FPC was no longer able to sidestep enforcement of the law. Producers then selling gas in interstate commerce were compelled to file their rates with the Commission. Because they have been finally brought to book, producers are redoubling their efforts to thwart regulation by amendment of the Natural Gas Act in this Congress.

2. How would such amendment affect the consumers of natural gas?

The price of gas in the gas fields where it enters the interstate carrier affects the price of gas sold at the other end of the line to the distributing utility and to the ultimate consumer since the cost of such gas to the pipeline company must be covered by the rates paid the distributor and the distributor must recover his cost by rates paid by the consumers who ultimately burn the gas in their homes, commercial establishments, and factories.

3. Who furnishes the gas supply to the interstate pipeline companies?

In the year 1953, pipeline companies purchased from their affiliates and produced from their own reserves about 21.5 percent of their total gas requirements. They purchased the balance of approximately 78.5 percent from the so-called independent producers who would be exempt from Federal rate regulation if the proposed legislation is enacted.

4. Who are the independent producers?

In number, there are about 4,100 producers, selling gas to pipeline companies; however, 7 producers supply one-third of the total and 100 producers more than 85 percent of the total. In other words, a few large producers, mostly major oil companies, make most of the sales of gas to pipeline companies.

5. Do the 4,100 producers compete with each other in the sale of gas to pipeline companies?

According to sworn testimony before the Federal Power Commission by a number of pipeline executives, all of the competition in the gas fields is between buyers seeking a supply of gas. Nearly 70 percent of the 4,000 producers are very small producers having wells only in the Appalachian area and they provide in the aggregate less than three-tenths of 1 percent of the total gas sold to interstate pipeline companies. The opportunity of pipeline companies to purchase additional gas to meet increasing consumer demand or to replace the gas used is limited to fields in close proximity to existing pipelines unless large volumes of reserves can be secured. This is so because of the great cost of constructing or relocating pipeline systems. Thus, the claim that 5,000 producers are competing with each other to sell gas to pipeline companies is purely theoretical and without practical substance. It is equivalent to saying that the grocers in Richmond, Va., are in competition with the grocers in Kalamazoo, Mich., or Dallas, Tex.

6. Are not the consumers protected against price increases by the long-term, arm's-length contracts between pipeline companies and independent producers?

A large share of the contracts betweeen pineline companies and producers contain various kinds of escalation clauses which provide ways of increasing the price. Many of the contracts also contain what are known as renegotiation and "favored nation" clauses. Because of the pressure upon the pipeline companies to secure additional gas supply to meet market demands, pipeline companies are compelled to renegotiate upwards the prices called for in existing contracts in order to obtain additional gas supplies under new contracts. Favored-nation clauses compel the companies to pay existing suppliers the highest price paid to other suppliers and in many cases the highest price paid in a field or area by third parties.

7. Has the Commission previously regulated the prices charged by these producers?

No; as pointed out earlier, the producers have been able to thwart regulation by the Commission. In 1948 the Commission commenced a rate proceeding against Phillips Petroleum Co. and it was not until June 7, 1954, or nearly 6 years later, that its jurisdiction over Phillips was determined by the Supreme Court. During this period of no regulation, the price of gas has been rising in the field. In the last 3 years it has practically doubled and in some instances tripled and quadrupled.

8. Have the increases in field price been reflected in increases in rates of pipeline companies and in rates to consumers?

Yes; the Federal Power Commission has been swamped with applications by pipeline companies in the last 4 years for increases in their rates which have aggregated more than $400 million. Most of the requested increases have been brought about by increases in the field cost of gas. Some companies have filed for as many as 4 successive increases in their rates within a period of 3 years. Consumers' rates have also been increased in many States of the Union. The average increase in the United States in the retail cost per therm of natural gas over the 3-year period 1951–53 has been 20 percent. In some States it has been lower than this and in some States higher.

9. Is it a fact that only about 10 percent of the average gas bill goes to the producer?

No; it is misleading to claim that the producer receives only 10 percent of the average gas bill. In 1953 the average price paid to producers by pipeline companies was 9.1 cents per thousand cubic feet. The average revenue received for natural gas sold to consumers by utilities in that year was 4.2 cents per therm which approximates 42 cents per thousand cubic feet. Thus, on the average, the producer received approximately 22 percent of the total amount paid by the consumer. It is also misleading to claim that the price the consumer paid for gas has risen only one-eleventh as much as the general cost of living during the past 16 years. It was because of the existence prior to 1938 of high natural-gas rates that the Congress enacted the Natural Gas Act. The Federal Power Commission drastically reduced pipeline-company rates during the years 1942–47 which reductions were reflected in lower retail rates in many areas of the country.

During the period 1948–53 the retail price of gas as reflected in the Consumers' Price Index has increased about 11 percent. Many gas-rate increases have been granted in 1954 by the State regulatory commissions and are not, of course, reflected in the above percentage. Other increases are pending.

10. Is Federal regulation necessary to keep gas rates at reasonable levels?

Unless the price of gas entering the interstate line is regulated all that subsequent regulation can accomplish is to pass on the increased field cost of gas in higher pipeline and retail gas rates. Increases in the field cost of gas must be recognized by the FPC and the State regulatory commissions and they are compelled by law to shift the burden of these increases to the consumer.

11. Why should the price of gas be regulated when coal, oil, grain, and most other commodities are not regulated?

The purpose of regulation is to limit profits of monopolies to reasonable levels. Because the supply of natural gas is mostly owned by a relatively few corporations and because only one practical transportation medium is available, namely, pipelines, Congress determined in 1938 that the natural-gas business was affected with a public interest and should be regulated by the Federal Government. The change which has taken place since that time in the field cost of gas has emphasized the necessity for regulation in order to protect consumers against exploitation at the hands of natural-gas companies.

12. Will Federal regulation conflict with State conservation regulation?

The Natural Gas Act prohibits regulation by the Commission of the physical activities of production and gathering. In the 16 years the Commission has regulated pipeline companies which own producing properties it has never regulated the production and gathering activities of such companies. In the Commission's Order 174–B prescribing rules and regulations for the so-called independent producers, the Commission specifically provided that its rules were not intended as interfering or intended to interfere with valid conservation orders of a State agency relating to the production or gathering of natural gas. There is no valid reason to contend that a conflict would result.

13. Will Federal regulation reduce the supply of natural gas?

The threat to the gas supply of consumers has been and is being used as a club over the heads of distributors, pipeline companies and others who refuse to support legislation exempting the big oil companies from regulation of their gas sales in interstate commerce. The hearings and debates in the 80th and 81st Congress on bills to amend the Natural Gas Act are filled with similar threats to the effect that if legislation was not enacted, gas supply would be curtailed or shut off. Despite these threats the great expansion program of the gas industry continued.

Under Federal regulation, producers would be assured the recovery of their costs including costs of exploration and of drilling dry holes plus a reasonable profit. There is no reason to believe that producers will deny themselves a reasonable profit on the capital invested just for the purpose of going on a sit-down strike any more than any other utility would refuse to furnish service to the public unless it were permitted to charge all the traffic would bear. Under the standards of the Natural Gas Act, the amount of profit allowed must be sufficient to permit the attraction of capital to the enterprise on reasonable terms. Thus, it is the Commission's duty to allow such margins of profit as will make the gas producing business attractive to investors.

14. Is it necessary to subject the little well owners to the burden of regulation in order to protect the public from unreasonable rates?

No, for the reason these little producers control such a small proportion of the gas reserves that they cannot dominate the price situation. These small producers could very well be exempted from Federal regulation. A distinction should be made between them and the hundred or so large producers who sell 85 percent or more of the natural gas in interstate markets.

COMMISSION SHOULD USE ACTUAL LEGITIMATE COSTS AND NOT THE SO-CALLED FAIR FIELD PRICE

Mr. DOUGLAS. Mr. President, I am introducing today, and am now sending to the desk, a bill to amend the Natural Gas Act and to require that the rates and charges of natural-gas companies be

determined on the basis of the actual legitimate costs of the companies' property, less depreciation.

I may say, Mr. President, that this has been the standard used in the past, in happier days, by the Federal Power Commission. Under it, prices were kept at more reasonable levels, while profits were more than fair. The pipeline industry prospered and grew at an amazing rate. The present Federal Power Commission wanted to escape from this reasonable valuation procedure, however, and it is apparently trying to change the method of valuation generally from actual legitimate costs to what it terms fair field value, or the going rate in the field.

In the Panhandle Eastern Pipeline case last year the Commission has already applied the fair field price formula to gas produced by the pipeline itself at a much lesser cost. There is no valid excuse for writing these phantom costs into the rates that gas consumers must ultimately pay.

The bill which I am introducing would reverse the principle laid down by the Commission in the Panhandle case and would prevent them from applying the field price formula to other producers also.

In the absence of regulation, the going rate charged by the producers to the pipeline companies is largely what the traffic will bear. Since natural gas is in great demand, there is no adequate competition between the natural-gas producers to keep the prices fair. This means, in effect, that the producers of natural gas can charge their own prices, and those prices to the pipeline transporters can be raised, and the higher costs passed, all the way down the line, in the form of higher retail prices of gas to the users and consumers. In the same manner, the phantom costs—based on field price levels—of pipeline producers are also being passed down the line to natural-gas consumers.

We have just seen an instance of this in my own city of Chicago, where gas rates have been increased by $3.7 million a year. It was the admitted testimony that this increase had been made necessary by the fact that increases had occurred in the field and in the price of gas as it entered the main pipelines.

So, Mr. President, we should return to the method of actual legitimate costs, and not turn to the method of so-called fair field value, which is nothing but the going price, which is not a regulated but a monopoly price. The bill I am introducing would require the return to that cost method of rate regulation.

The PRESIDING OFFICER. The bill will be received and appropriately referred.

The bill (S. 1248) to amend the Natural Gas Act to require that the rates and charges of natural-gas companies be determined on the basis of the actual legitimate cost of the companies' property, less depreciation, introduced by Mr. DOUGLAS, was received, read twice by its title, and referred to the Committee on Interstate and Foreign Commerce.

NOTICE OF HEARINGS ON DISPOSAL PLAN OF RUBBER-PRODUCING FACILITIES DISPOSAL COMMISSION

Mr. FREAR. Mr. President, I wish to give general notice that the Production and Stabilization Subcommittee of the Senate Committee on Banking and Currency on Tuesday, March 8, will begin hearings on the disposal plan submitted to the Congress on January 24, 1955, by the Rubber Producing Facilities Disposal Commission. It will be recalled that under the provisions of the Rubber Producing Facilities Disposal Act of 1953, the Congress created this Commission and empowered it to accept proposals from prospective purchasers of the 27 synthetic rubber manufacturing facilities owned by the Federal Government. That act further empowered the Commission to negotiate and recommend to the Congress sale of those plants in cases where acceptable terms of sale could be worked out in accordance with the terms of the act. The Commission was given certain guides in carrying out these duties. It was to bear in mind, among other items, the need for obtaining full fair value for the plants, the need for setting up a free, competitive industry, the needs of national security, and the interests of small business.

The Commission, on January 24, recommended to the Congress that 24 of the 27 plants be sold.

Under the act, the Congress has 60 days of continuous session following January 24 within which either House may disapprove the sale of any one or more or all of the plants. The continuous session is broken only by adjournment sine die or adjournment of either House for more than 3 days to a day certain. The statute provides that either House may adopt a disapproving resolution affecting the sale of any one or more or all of the plants, but unless it does so within the 60-day period, the sales as recommended by the Commission will be carried out. If either House of Congress disapproves the sale of any plant, the prospective purchasers of the remaining plants have an opportunity to withdraw from purchasing the plant. If the result of action by the Congress and the purchasers is to leave less capacity than 500,000 long tons of general-purpose synthetic rubber or 43,000 long tons of butyl rubber available for sale under the Commission's plan, then none of the plants may be sold, but they will continue to be operated for the account of the Government.

If any part of the Commission's disposal plan is carried out, plants not sold must, under the terms of the act, be placed in standby for a 3-year period. Under certain conditions, any alcohol butadiene plant can be leased within that 3-year period.

The Banking and Currency Committee has received a bill—S. 691—to allow reopening of sale negotiations on a synthetic-rubber plant at Baytown, Tex. That bill, introduced by the junior Senator from Texas [Mr. DANIEL] for himself and the senior Senator from Texas [Mr. JOHNSON] is now pending before that committee's Subcommittee on Production and Stabilization. Hearings on it are in order.

Moreover, several committee members have received specific objections to the sale of certain of the plants recommended for sale by the Commission. For that reason, it is thought desirable for the Subcommittee on Production and Stabilization to hold an open hearing on those objections plus any other substantial objections brought to its attention before the date of the hearing.

As chairman of the subcommittee I wish to give public notice that the subcommittee will begin hearings on Tuesday, March 8, at 10 a. m.

Prior to that time the subcommittee staff will collect and evaluate complaints concerning the disposal of specific plants. Testimony will then be taken from those whose complaints appear to be of such substantial nature as to warrant consideration by the subcommittee. Upon request, testimony in opposition to the complaints will also be received. Those not heard will be given an opportunity to include material in the record of the hearing.

At the same hearing the subcommittee will take testimony on Senate bill 691.

This is to give public notice that anyone objecting to S. 691 for any reason is expected to bring his objection to the attention of the subcommittee in writing prior to the date of the hearing.

Similarly anyone having a substantial complaint concerning the proposed sale of any of the 24 plants included in the Commission's report is likewise expected to submit his objections in writing to the subcommittee in time for its consideration prior to the scheduling of witnesses for the hearing.

The 60-day deadline prescribed by the act makes it imperative that any hearings held on these matters be conducted promptly and concluded in time to allow any action necessary to be taken by the Senate before the expiration of the 60-day period.

I hope that this announcement may receive widespread publicity so that the plans of the subcommittee may be known. This will result in the holding of adequate and fair hearings within the time limits set by the act.

Mr. SPARKMAN. Mr. President, will the Senator from Delaware yield?

The PRESIDING OFFICER (Mr. CURTIS in the chair). Does the Senator from Delaware yield to the Senator from Alabama?

Mr. FREAR. I yield.

Mr. SPARKMAN. The Senator from Delaware may have stated the exact date; but if so, I did not note it. When will the 60 days expire?

Mr. FREAR. On March 25.

Mr. SPARKMAN. In order to stop a sale is it required that both Houses veto it, or can it be stopped by a veto by only one House?

Mr. FREAR. Either House may thus veto it.

Mr. SPARKMAN. But if the Senate is to veto it, the Senate must do so before March 25; is that correct?

Mr. FREAR. Yes; and, any such proposal supposedly would come from the committee.

Mr. SPARKMAN. I thank the Senator from Delaware.

Mr. FREAR. Unless either the Senate or the House were to be out of session for a period of more than 3 days.

Mr. SPARKMAN. Of course, that is not likely to occur before March 25.

Mr. FREAR. No; it is not likely.

Mr. SPARKMAN. In other words, the veto deadline is getting pretty close upon us; is it not?

Mr. FREAR. Yes. I thank the Senator from Alabama for calling attention to these facts.

Mr. SPARKMAN. I think this point should be emphasized, because there is little time in which to act.

Mr. FREAR. Yes.

Mr. SPARKMAN. By the way, this involves a multimillion dollar bill.

Mr. FREAR. Yes; and 24 plants.

Mr. SPARKMAN. And also one of the largest undertakings of the Government during the war, and one which has generally continued in operation since that time. I may add that it has been a profitable operation.

Mr. FREAR. Yes; it has been profitable and productive at a time when synthetic rubber was most needed.

Mr. SPARKMAN. I thank the Senator from Delaware.

Mr. FREAR. Mr. President, I thank my colleague.

EXCHANGE OF NOTES WITH THE CANADIAN GOVERNMENT REGARDING THE ST. LAWRENCE SEAWAY

Mr. WILEY. Mr. President, I send to the desk an exchange of notes between the United States Ambassador to Canada, R. Douglas Stuart, and the Canadian External Minister, Lester Pearson, on the subject of future construction of the United States-Canadian St. Lawrence Seaway. This exchange supplements a previous exchange of August 17, 1954, and constitutes an important landmark in the history of this great project, which I am pleased to have helped achieve as author of the Wiley Seaway law—Public Law 358, 83d Congress.

I may say that I have been in closest touch with our American officials relative to this important exchange. I ask unanimous consent that it be reproduced at this point in the body of the RECORD.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

UNITED STATES EMBASSY,
Ottawa, Canada, February 21, 1955.

The Honorable L. B. PEARSON,
Secretary of State for External Affairs, Ottawa.

DEAT MR. PEARSON: I refer to conversations which were held recently between yourself, Mr. Howe, and Ambassador Heeney and, on our side, Mr. Wilson, Mr. Anderson, and myself, on our respective plans for St. Lawrence Seaway construction.

In the light of these conversations, and of the exchange of notes of August 1954, we understand that the Canadian Government under present conditions will not construct navigation facilities which by-pass the power dams in the Cornwall-Barnhart Island areas. It is further understood that while the Canadian Government intends to acquire land now in that vicinity to provide such facilities at some future date, such construction will not be initiated until after discussions between the two governments.

The United States Government has, as you know, a statutory obligation under Public Law 358, 83d Congress, to construct facilities for 27-foot navigation in the vicinity of Point Rockway, N. Y., opposite Iroquois, Ontario. However, since the Canadian Government has awarded a contract for construction of facilities for 27-foot navigation at Iroquois, we will seek congressional action at an appropriate time to be relieved of this statutory obligation for such construction and, thereafter, will not initiate such construction until after discussions between the two governments.

Under these arrangements the Canadian canal and lock at Iroquois will be the exclusive means for navigation to bypass the power project control dam at that point. Similarly, the Long Sault Canal, with two locks near Massena, N. Y., to be constructed by the United States, will be the exclusive means for navigation to bypass the dams in the Cornwall-Branhart Island area.

These arrangements eliminate uneconomical duplication of navigation facilities for 27-foot or lesser draft on opposite sides of the St. Lawrence River to bypass the power and control dams in the International Rapids section, and retain the development on a joint basis of this common undertaking of our two countries, consistent with the principles of St. Lawrence Seaway legislation of both countries.

I would appreciate your confirming that this letter represents the views expressed in our meetings.

Respectfully yours,

R. DOUGLAS STUART.

THE SECRETARY OF STATE FOR
EXTERNAL AFFAIRS, CANADA,
Ottawa, February 22, 1955.

His Excellency R. DOUGLAS STUART,
Ambassador of the United States of America, Ottawa, Ontario.

MY DEAR AMBASSADOR: In reply to your letter of February 21, 1955, on our respective plans for the construction of the St. Lawrence Seaway, I wish to confirm that your letter represents the views expressed in our meetings.

Yours sincerely,

L. B. PEARSON.

DEEPENING THE GREAT LAKES CONNECTING CHANNELS

Mr. WILEY. Mr. President, one of the most important issues facing the current session of the Congress is action on proposed legislation to deepen the Great Lakes connecting channels. This is the subject of a bill (S. 171) which I have personally introduced, in addition to numerous other measures having the same objective.

The people of Wisconsin, who have long been in the forefront of the efforts for the seaway itself, are once more extremely anxious to see the fulfillment of this phase of the 27-foot, 2,400-mile artery into the heart of the North American Continent. Without these channels, we will not have a true deep waterway west of Lake Erie.

I send to the desk four expressions on this important matter from my State: The first is from the Governor's Committee for the St. Lawrence Seaway Project, whose chairman is the Honorable Harry Brockel. The second is from the Milwaukee Common Council; the third is from the Superior Common Council; and the fourth is from the Algoma Harbor Committee.

I ask unanimous consent that each of these be printed at this point in the body of the RECORD, and that they be preceded by a list of the distinguished members of the Governors' committee—men and women representing all phases of Wisconsin life.

There being no objection, the list and letters were ordered to be printed in the RECORD, as follows:

GOVERNOR'S COMMITTEE FOR THE ST. LAWRENCE SEAWAY PROJECT, STATE OF WISCONSIN, HEADQUARTERS, ROOM 710, CITY HALL, MILWAUKEE, WIS.

Officers: Honorary chairman, Gov. Walter J. Kohler, Jr.; chairman, Harry C. Brockel; vice chairman, Curtis Hatch; secretary, Robert W. Hansen.

Committee: Organizations—Gordon W. Roseleip, commander, American Legion; George Haberman, president, Federation of Labor; Robert W. Hansen, Fraternal Order of Eagles; Curtis Hatch, president, Farm Eureal Federation; K. W. Hones, president, Farmers Union; John F. Leason, past commander, Amvets; Bertell MacDonald, past commander, Veterans of Foreign Wars; Frank E. Betz, commander, Veterans of Foreign Wars; Lyman McKee, President, Madison Milk Producers Association; H. O. Melby, Rural Electrification Association; Wm. O. Perdue, Pure Milk Products Cooperative; Mrs. Carl Romanik, Business and Professional Women's Club; Wm B. Seffern, Master Grange; Howard E. Norris, president, junior chamber of commerce; Charles M. Schultz, president, CIO; Milo K. Swanton, secretary, Council of Agriculture; Leonard Zubrensky, chairman, AVC Council. Industry—Robert Friend, president, Nordberg Manufacturing Co.; Joseph Heil, president, the Heil Co.; Henry R. Knudsen, Knudsen Bros. Shipbuilding & Dry Dock Co.; William D. Vogel, president, P&V-Atlas Industrial Center. Citizens—Harry C. Brockel, Milwaukee; C. E. Broughton, Sheboygan; C. D. Brower, Jr., Sturgeon Bay; Mrs. J. W. Keck, Watertown; Ray J. Laubenstein, Green Bay; Irwin Maier, Milwaukee; Frank H. Ranney, Milwaukee; Julius Sherfinski, Ashland; Neil Smith, Superior.

MILWAUKEE, WIS., *February 12, 1955.*

Hon. ALEXANDER WILEY,
United States Senate, Washington, D. C.

DEAR SENATOR WILEY: This committee, as you know, was appointed by Governor Kohler in 1952 to develop wide public support for the St. Lawrence Seaway project and to encourage seaway support by affiliated organizations in other States.

With the successful passage of the Wiley Seaway bill in May 1954. Governor Kohler has requested that the committee continue its service, with the particular assignment of working for the deepening of Great Lakes connecting channels, and supporting the efforts of our congressional representatives for this important legislation.

Meeting in Governor Kohler's office on February 2, the committee directed that an expression of commendation be conveyed to you and the other members of the Wisconsin congressional delegation for leadership and loyal support of St. Lawrence Seaway legislation through many vicissitudes. The committee also went on record as declaring its full support of legislation for the deepening of Great Lakes connecting channels, and the committee resources will be made available to the fullest extent to support measures taken by the Members of the House and Senate from Wisconsin in support of this important objective. We are fully conscious that without the deepening of the Great

Lakes connecting channels to the official seaway draft, the upper Great Lakes and the State of Wisconsin will be severely handicapped in realizing the full benefits of the seaway project.

Please call upon the committee for any assistance it may be able to render in your commendable efforts toward this very important goal.

Yours sincerely,

H. C. BROCKEL,
Chairman.

RESOLUTION REGARDING FEDERAL LEGISLATION AND APPROPRIATIONS TO DEEPEN CONNECTING CHANNELS OF THE GREAT LAKES

Whereas the Governments of the United States and Canada are now engaged in the construction of the St. Lawrence Seaway project, which, when completed in 1959, will open the Port of Milwaukee and other cities of the Great Lake to deep-draft ocean navigation, with great benefits to the economy of the entire midcontinent area and to national defense; and

Whereas the St. Lawrence Seaway project will provide 27-foot navigation only to Lake Erie, and the connecting channels of the Great Lakes in the Detroit River, St. Clair River, Straits of Mackinac, and St. Marys River will require deepening in order to bring the full benefits of the St. Lawrence Seaway project and deep-draft navigation to the ports of Lake Huron, Lake Michigan, and Lake Superior; and

Whereas, entirely aside from the requirements of the St. Lawrence Seaway project, the deepening of Great Lakes shipping channels is timely and necessary to utilize to full capacity the many large vessels which have entered service on the Great Lakes recently, representing an investment of hundreds of millions of dollars, and which are now unable to operate at full capacity due to channel depth limitations; and

Whereas the deepening of Great Lakes connecting channels will add to the efficiency of lake and ocean shipping and will confer great economic benefits on the commerce of the Great Lakes and of the entire Middle West, and is consistent with the trend toward deep-draft shipping and the substantial deepening of seaboard harbors at many localities; and

Whereas congressional legislation for this purpose should be given high priority so that the deepening of Great Lakes connecting channels may be completed in time to coincide with the completion of the St. Lawrence Seaway project: Now, therefore, be it

Resolved by the Common Council of the City of Milwaukee, Wis., That this body hereby declares its vigorous support for legislation to authorize the deepening of Great Lakes connecting channels and the appropriation of funds for that purpose by the Congress; and be it further

Resolved, That the Senators and Representatives from Wisconsin be requested to exert their best efforts to secure the passage of such authorizing and appropriating legislation by the 84th Congress; and be it further

Resolved, That the board of harbor commissioners and other interested city officials and departments be authorized by this common council to take all steps necessary to further the progress of connecting channels deepening legislation, and to collaborate with all other ports, associations, and interests working toward this end; and be it further

Resolved, That certified copies of this resolution be transmitted by the city clerk to the President of the United States; to the Senators and Members in Congress from the State of Wisconsin; to the Public Works Committee, House of Representatives; to the Commerce Committee, United States Senate; and to the Chief of Engineers, United States Army.

RESOLUTION INTRODUCED BY THE CITY COUNCIL OF THE CITY OF SUPERIOR, WIS., AUTHORIZING AND DIRECTING THE CITY CLERK TO FORWARD THIS RESOLUTION TO THE CONGRESSIONAL REPRESENTATIVES URGING THE ENDORSEMENT OF A PROPOSED BILL FOR THE DEEPENING AND IMPROVING OF THE CONNECTING CHANNELS OF THE GREAT LAKES

Whereas the Corps of Engineers of the United States Army have filed their report on the cost of the proposed deepening and improving of the connecting channels of the Great Lakes; and

Whereas the United States Congress will, very shortly, consider the necessary appropriation for such deepening and improving of said connecting channels; and

Whereas the Great Lakes Harbor Association has, through its legal counsel, filed a brief with the United States engineers endorsing the connecting channels project; and

Whereas it is extremely necessary that this project commence at the earliest possible time in order that large ships entering the Great Lakes will be able to move west of Toledo at full draft upon completion of the St. Lawrence Seaway: Now, therefore, be it

Resolved by the City Council of the City of Superior, in regularly assembled meeting, That this council go on record as endorsing and strongly urging the adoption of the report submitted by the Corps of Engineers of the United States Army; and be it further

Resolved, That the city clerk be and he hereby is instructed to forward a copy of this resolution to the Wisconsin representatives in Congress and to the Great Lakes Harbor Association.

Passed and adopted this 18th day of January 1955.

Approved this 19th day of January 1955.

SCOTT G. WILLIAMSON,
President of the Council.

Attest:

R. E. MCKEAGUE, *City Clerk.*

ALGOMA, WIS.

Hon. ALEXANDER WILEY,
Senate Office Building,
Washington, D. C.

DEAR MR. WILEY: This letter is being written on behalf of the several civic organizations of the city of Algoma which has a small harbor on Lake Michigan. The subject legislation has been studied and discussed with the members of the various organizations, and we strongly urge the endorsing of the connecting channels project as outlined in the brief filed by Mr. Herbert Naujoks, of the Great Lakes Harbor Association, with the United States engineers. Copies of this endorsement have been sent to all Members of Congress.

Acting as chairman of the Algoma harbor committee of the city of Algoma and received definite expressions urging the adoption of this legislation. The list is as follows:

Mr. Richard DeGuelle, mayor of the city of Algoma.

Algoma City Council, eight members.

Algoma Chamber of Commerce, 115 members.

Algoma Boating Club, 50 members.

Algoma Lions Club, 36 members.

Mr. Verne Bushman, traffic manager of United States Plywood Corp.

We all urge your support of this legislation.

Thank you.

Yours truly,

GORDON R. MERCER,
Chairman, City of Algoma
Harbor Committee.

GOOD CITIZENSHIP CONTEST BY NATIONAL ASSOCIATION OF FOOD CHAINS

Mr. WILEY. Mr. President, I have received a most interesting letter from Mr. John A. Logan, president of the National Association of Food Chains. Mr. Logan describes a most commendable effort on the part of his national association in connection with good citizen awards throughout the 48 States. Good citizenship at the grass roots is indeed the pillar of this constitutional republic.

I send to the desk the text of Mr. Logan's letter describing the contest, and a list of the Wisconsin winners. I desire to congratulate each of these persons in the Badger State. I ask unanimous consent that both items be printed at this point in the body of the CONGRESSIONAL RECORD.

There being no objection, the letter and list were ordered to be printed in the RECORD, as follows:

NATIONAL ASSOCIATION OF FOOD CHAINS,
Washington, D. C., February 18, 1955.

The Honorable ALEXANDER WILEY,
United States Senate,
Washington, D. C.

SIR: You will, we believe, be interested in the attached list of supermarket and food store managers in your State who are being presented Good Citizen Awards by the National Association of Food Chains.

It has been said that, "Everyone talks about good citizenship, but very few do anything about it." The members of the National Association of Food Chains are now making what is, so far as is known, the first such effort on the part of an entire industry. To encourage good citizenship, the association, on behalf of its members, has taken the following steps:

It approached Teachers College of Columbia University, which has been studying the subject of citizenship and made a grant to the college to develop a simple questionnaire which would make it possible to rate the citizenship qualities of an individual.

More than 50 food-chain companies asked over 10,000 of their managers to fill out these questionnaires. These have now been rated and some 1,600 managers who scored highest on the test are being awarded certificates of good citizenship.

It is the hope of the members of this association that the interest aroused by this program will stimulate similar action by other industries and in the thousands of communities which these 10,000 men help to serve.

The questionnaires include such subjects as work on community problems and projects, voting and encouraging others to vote, knowledge of local problems and issues, and participation in welfare, church, and public service programs.

The National Association of Food Chains' membership includes most of the country's leading food chains employing hundreds of thousands of people in food distribution centers, offices, and 15,000 supermarkets and food stores throughout the Nation.

Cordially yours,

JOHN A. LOGAN.

NATIONAL ASSOCIATION OF FOOD CHAINS 1955 GOOD CITIZEN AWARD WINNERS—WISCONSIN

George F. Anderson, Red Owl Stores, Inc., Franklin; Oconto Falls.

Norman Austvold, National Tea Co., 621 West Miner Avenue; Ladysmith.

Clarence A. Anderson, National Tea Co., 301 Ruder Street; Wausau.

Lawrence Belongie, Red Owl Stores, Inc., 827 Carney Boulevard; Marinette.

Douglas M. Eland, Red Owl Stores, Inc., 1014 Gross Avenue; Green Bay.

Anton M. Flegel, Red Owl Stores, Inc., Luxemburg.

Arless M. French, Red Owl Stores, Inc., the Pines; Rhinelander.

William J. Hossman, National Tea Co., 119 South Seventh Street; Delavan.

Robert Johnson, National Tea Co., 1517 East Van Beck Avenue; Milwaukee.

Harold Lindell, Red Owl Stores, Inc., 1107 Wilson Avenue; Green Bay.

Royce Locke, Red Owl Stores, Inc., Denmark.

Ronald Leverence, National Tea Co., 2455 North 68th Street, Wauwatosa.

Thomas M. Morrissey, National Tea Co., 3609 South Third Street; Milwaukee.

Fred A. Mallach, National Tea Co., 302 Ninth Street; Watertown.

William Moffit, National Tea Co., Rural Route 2; Menomonie.

Edward Micka, the Kroger Co., 604 Washington Street; Darlington.

Bernhardt Naumann, National Tea Co., 1606 South Seventh Street; Milwaukee.

Robert Nickoli, the Kroger Co., 128 East Johnson Street, Fond du Lac.

Paul T. Robbins, National Tea Co., 505 LaBelle Avenue; Oconomowoc.

David D. Schurhammer, National Tea Co., 2802 South 23d Street; La Crosse.

James J. Smith, National Tea Co., 2407 West Finn Place; Milwaukee.

John A. Stock, National Tea Co., 2317 White Street; Marinette.

Bernard Therriault, Red Owl Stores, Inc., Main Street; Oconto Falls.

Emanuel Tate, Red Owl Stores, Inc., 114 South Union Street; Shawano.

Mel Tozier, Red Owl Stores, Inc., 1113 Marquette Avenue; Green Bay.

Leonard Ullsperger, National Tea Co., 219 East Park Avenue, Menomonee Falls.

Earl D. White, National Tea Co., 6324 Ogden Avenue; Superior.

Lowell Zimmer, the Kroger Co., 1149 Forest Street; Beloit.

EXECUTIVE SESSION

Mr. CLEMENTS. Mr. President, I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE MESSAGE REFERRED

The PRESIDENT pro tempore laid before the Senate a message from the President of the United States submitting sundry nominations, which was referred to the Committee on Armed Services.

(For nominations this day received, see the end of Senate proceedings.)

EXECUTIVE REPORTS OF COMMITTEES

The following favorable reports of nominations were submitted:

By Mr. BENNETT, from the Committee on Banking and Currency:

Charles Noah Shepardson, of Texas, to be a member of the Board of Governors of the Federal Reserve System, vice Paul Emmert Miller, deceased.

Mr. HILL. Mr. President, from the Committee on Labor and Public Welfare, I report, favorably, for the calendar, the nomination of Theophil Carl Kammholz, of Illinois, to be General Counsel of the National Labor Relations Board. I ask unanimous consent that the distinguished Senator from Illinois [Mr. DOUGLAS] may be authorized to file any views he may see fit to submit on the nomination.

The PRESIDENT pro tempore. The nomination will be received, and placed on the Executive Calendar; and, without objection, the authority requested for the Senator from Illinois is granted.

The PRESIDING OFFICER. If there be no further reports of committees, the clerk will proceed to state the nominations on the Executive Calendar.

DEPARTMENT OF THE AIR FORCE

The legislative clerk read the nomination of Trevor Gardner, of California, to be an Assistant Secretary of the Air Force.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

DEPARTMENT OF THE NAVY

The legislative clerk read the nomination of Rear Adm. James S. Russell, United States Navy, to be Chief of the Bureau of Aeronautics for a term of 4 years.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

NATIONAL LABOR RELATIONS BOARD—BOYD LEEDOM

The legislative clerk read the nomination of Boyd Leedom, of South Dakota, to be a member of the National Labor Relations Board for a term of 5 years expiring December 16, 1959.

Mr. CASE of South Dakota. Mr. President, I am sure this nomination will be confirmed. I rise to speak, not because of any fear that it will not be confirmed, but because I wish the RECORD to show that in my opinion this nomination is an outstanding one of a very worthy man, and also because I desire to give expression to a few personal thoughts in connection therewith.

Mr. President, Boyd Leedom, of South Dakota, is presently the presiding judge of the South Dakota Supreme Court. The father of Judge Leedom was Chester Leedom, popularly known for many years in South Dakota as "Chet" Leedom. "Chet" was executive secretary to a former Member of this body, the Honorable William Henry McMaster, when Senator McMaster became a Member of the Senate. Subsequently, Mr. Leedom was appointed United States marshal for the State of South Dakota.

A number of years ago—far more than I care now to recount—"Chet" Leedom was one of half a dozen men who first encouraged me to become a candidate for nomination to a seat in the House of Representatives. He liked to encourage young men to take an active interest in politics. He often told me of the accomplishments of his son, Boyd, then a student at the State university. "Chet" had a flair for making friends and for public service that has been carried on in the career of his son, Boyd Leedom.

But it would hardly be fair to credit the father of Boyd Leedom with all the capacity for public service which the son embodies for Judge Leedom had a mother who was widely respected for her advocacy of high ideals in public service. She was very active in the Women's Christian Temperance Union. She had a deep religious faith which has found expression in the ideals exemplified in the life of Judge Leedom.

Judge Leedom himself has been an outstanding layman of the Methodist church in South Dakota. He is a man of very broad sympathies. In his home town of Rapid City, S. Dak., he is a member of the board of directors of a Protestant hospital. At Pierre, the State capital, when he became a member of the supreme court, he became a member of the board of trustees for a Catholic hospital.

I only wish that Judge Leedom's parents could be here today, for they would rightfully take pride in the appointment by the President and confirmation by the Senate of their son to this important post on the National Labor Relations Board.

As a lawyer, Judge Leedom practiced law in Rapid City for more than 20 years.

A few days ago when the announcement was made by the President of the nomination of Judge Leedom, a resolution commending the appointment was unanimously adopted by the bar of Pennington County.

As a member of the Supreme Court of South Dakota, Judge Leedom has been widely known for his fairness and legal ability and the understanding with which he has met the responsibilities of that office.

It was characteristic of the modesty of the man that, the other day, when he appeared before the Committee on Labor and Public Welfare, in connection with that committee's consideration of his nomination, he should refer to his 2½ years in the Navy as "uneventful." That drew commendation from the distinguished Senator from Illinois [Mr. DOUGLAS].

When the chairman of the committee, the distinguished Senator from Alabama [Mr. HILL], queried Mr. Leedom with respect to his service in the field of labor relations, he modestly said that he supposed he had had little experience which would be regarded as directly in the field of labor-management relations. However, he had served as "the neutral member" of some mediation boards appointed under the National Railway Labor Relations Act. The questioning by the Senator from Alabama developed the fact that Judge Leedom had served in some 40 cases as the neutral member of the board, cases in which the members representing labor and management had been unable to come to an agreement. The Senator from Alabama asked, "What happens when they do not agree?"

Judge Leedom explained that then the neutral member of the board makes the decision.

The Senator from Alabama asked, "What if the respective sides do not wish to accept the award?"

Judge Leedom said they could go to court and obtain an injunction or affirmative action. However, it developed that in none of the 40 cases in which he had served, so far as he knew, had either side resorted to the courts to carry out the findings.

Mr. President, many men would hesitate to leave the relative security and comparative quiet of a State supreme court for the uncertainties and turmoil of a board in the field of labor-management relations. But when the invitation came to Judge Leedom, he looked upon it as a challenge to wider service. So as he said to the Senator from New Jersey [Mr. SMITH] at the hearing Friday, he will resign from the bench if confirmed, and come here shortly to enter upon his new duties.

I feel that in this appointment the United States will be well served. It is generally recognized that membership on the National Labor Relations Board entails difficult responsibilities. Judge Leedom has been an honest and upright judge. I feel confident that he will become a worthy and respected member of the National Labor Relations Board, and I am pleased to note that his nomination comes to the Senate recommended by the unanimous vote of the Committee on Labor and Public Welfare.

The PRESIDING OFFICER. The question is, Will the Senate advise and consent to the nomination of Boyd Leedom to be a member of the National Labor Relations Board?

The nomination was confirmed.

THE ARMY

The legislative clerk read the nomination of Lt. Gen. Anthony Clement McAuliffe to be commander in chief, United States Army, in Europe.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

The legislative clerk read the nomination of Maj. Gen. Laurin Lyman Williams to be Comptroller of the Army.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

NOMINATIONS IN THE ARMY, AIR FORCE, NAVY, AND MARINE CORPS FAVORABLY REPORTED BUT NOT PRINTED ON THE CALENDAR

Mr. CLEMENTS. Mr. President, sundry routine nominations in Army, Air Force, Navy, and Marine Corps have been favorably reported, but not printed on the Executive Calendar. I ask unanimous consent that these nominations be confirmed en bloc.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CLEMENTS. I ask that the President be immediately notified of all nominations confirmed this day.

The PRESIDING OFFICER. Without objection, the President will be notified forthwith.

LEGISLATIVE SESSION

Mr. CLEMENTS. I move that the Senate resume the consideration of legislative business.

The motion was agreed to; and the Senate resumed the consideration of legislative business.

AID TO OPERATORS OF FAMILY-SIZE FARMS—ADDITIONAL SPONSOR OF SENATE BILL 1199

Mr. SPARKMAN. Mr. President, on February 23, I introduced a bill, for myself and the Senator from Tennessee [Mr. KEFAUVER]. I refer to Senate bill 1199. I take great pleasure in asking unanimous consent that in the permanent RECORD, the name of the Senator from South Carolina [Mr. THURMOND] be added as a joint sponsor of that bill, and that in any subsequent printing of the bill his name be added thereto.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. SPARKMAN. Let me say in that connection that the distinguished Senator from South Carolina has a very fine background with respect to agricultural matters. The bill which I introduced is an agricultural bill. It seeks to obtain effective action along the line of assistance to the operators of family-sized farms. For many years after graduation from college, the Senator from South Carolina was actively engaged in agricultural pursuits. I am therefore very happy to have him join in sponsoring this measure.

ADJOURNMENT TO WEDNESDAY

Mr. CLEMENTS. I move that the Senate stand in adjournment until Wednesday next at 12 o'clock noon.

The motion was agreed to; and (at 4 o'clock and 25 minutes p. m.) the Senate adjourned until Wednesday, March 2, 1955, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate February 28, 1955:

IN THE ARMY

Maj. Gen. James Dunne O'Connell, O14905, Army of the United States (brigadier general, U. S. Army), for appointment as Chief Signal Officer, United States Army, and as major general in the Regular Army of the United States, under the provisions of section 206 of the Army Organization Act of 1950 and section 513 of the Officer Personnel Act of 1947.

The following-named officers to be placed on the retired list in the grade indicated under the provisions of subsection 504 (d) of the Officer Personnel Act of 1947:

To be generals

Gen. John Edwin Hull, O7377, Army of the United States (major general, U. S. Army).

Gen. Charles Lawrence Bolté, O6908, Army of the United States (major general, U. S. Army).

CONFIRMATIONS

Executive nominations confirmed by the Senate February 28, 1955:

DEPARTMENT OF THE AIR FORCE

Trevor Gardner, of California, to be an Assistant Secretary of the Air Force.

DEPARTMENT OF THE NAVY

Rear Adm. James S. Russell, United States Navy, to be Chief of the Bureau of Aeronautics for a term of 4 years.

NATIONAL LABOR RELATIONS BOARD

Boyd Leedom, of South Dakota, to be a member of the National Labor Relations Board for a term of 5 years expiring December 16, 1959.

IN THE ARMY

APPOINTMENTS

Lt. Gen. Anthony Clement McAuliffe, O12263, Army of the United States (major general, U. S. Army), to be commander in chief, United States Army, Europe, with the rank of general, and as general in the Army of the United States, under the provisions of sections 504 and 515 of the Officer Personnel Act of 1947.

Maj. Gen. Laurin Lyman Williams, O8425, United States Army, to be Comptroller of the Army, with the rank of lieutenant general, and as lieutenant general in the Army of the United States, under the provisions of sections 504 and 515 of the Officer Personnel Act of 1947.

PROMOTIONS IN THE REGULAR ARMY

The nominations of Francis J. Aiken, Jr., and 246 other officers, for promotion in the Regular Army, which were confirmed today, were received by the Senate on February 15, 1955, and may be found in full in the CONGRESSIONAL RECORD for that date, under the caption "Nominations," beginning with the name of Francis J. Aiken, Jr., which appears on page 1555, and ending with the name of Peter H. Thames, which appears on page 1556.

APPOINTMENTS IN THE REGULAR AIR FORCE

The nominations of Robert Crawford and 442 other officers for appointment in the Regular Air Force, which were confirmed today, were received by the Senate on February 1, 1955, and may be found in full in the CONGRESSIONAL RECORD for that date, under the caption "Nominations," beginning with the name of Robert Crawford, which is shown on page 1066, and ending with the name of Jessie J. Heney, which is shown on page 1067.

IN THE NAVY AND IN THE MARINE CORPS

The nominations of Galen B. Allen and 665 other officers, for appointment in the Navy, which were confirmed today, were received by the Senate on February 4, 1955, and may be found in full in the CONGRESSIONAL RECORD for that date, under the caption "Nominations," beginning with the name of Galen B. Allen, which is shown on page 1200, and ending with the name of Don J. Slee, which appears on page 1202.

The nominations of William H. Sublette and 6,406 other officers, for appointment in the Navy, and the nominations of Charles W. Abbott and 7,910 other officers, for appointment in the Marine Corps, which were confirmed today, were received by the Senate on February 11, 1955, and may be found in full in the CONGRESSIONAL RECORD for that date, under the caption "Nominations," beginning with the name of William H. Sublette, which is shown on page 1474, and ending with the name of Murray G. Dowler, which appears on page 1503.